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99TH CONGRESS 2d Session } SENATE { REPORT 99–301

URGENT SUPPLEMENTAL APPROPRIATIONS BILL, 1986

MAY 15 (legislative day, MAY 12), 1986.—Ordered to be printed

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Mr. HATFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 4515]

The Committee on Appropriations, to which was referred the bill (H.R. 4515) making urgent supplemental appropriations for the fiscal year 1986, and for other purposes, reports the same to the Senate with various amendments and with the recommendation that the bill be passed.

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5183-1

SUMMARY OF THE BILL

This bill, as recommended by the Committee, provides supplemental funding for the fiscal year ending September 30, 1986. It also includes adjustments in fiscal year 1986 funds necessary to allow an efficient use of the limited resources available. The recommended bill does not increase the fiscal year 1986 deficit.

In making its recommendations, the Committee considered supplemental estimates, proposed rescissions, and deferrals submitted by the administration. These specific budget requests are contained in Senate document 99–29 (April 25, 1986) and in the following House documents: 99–111 (October 1, 1985); 99–133 (November 25, 1985); 99–143 (February 5, 1986); 99–144 (February 5, 1986) 99–159 (February 3, 1986); 99–161 (February 5, 1986); 99–171 (March 4, 1986); 99–172 (March 4, 1986); 99–174 (March 4, 1986); 99–180 (March 12, 1986); 99–184 (March 18, 1986); 99–186 (March 20, 1986); 99–187 (March 26, 1986); 99–196 (April 11, 1986); 99–211 (April 25, 1986); 99–219 (May 13, 1986); and 99–220 (May 14, 1986).

The Committee's recommendations are discussed in detail in the body of this report, by subcommittee, on a chapter-by-chapter basis.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $3,874,872,,000 in net new budget authority for fiscal year 1986, $2,291,589,000 below the administration's supplemental funding request of $6,166,461,000.

With respect to rescissions and deferrals, the Committee recommends that $4,713,624,000 in funds previously appropriated be rescinded and that the administration's deferrals of $4,889,477,000 be disapproved. Deferrals to date in special messages transmitted to the Congress by the President total $24,720,727,000.

DEFERRAL DISAPPROVALS

The Committee recommends the disapproval of deferrals used by the administration to delay funding for program priorities and other policy determinations of the Congress contained in appropriations acts signed into law by the President. These represent policy deferrals, as opposed to antideficiency deferrals used for routine fiscal management purposes.

The Constitution gives the President veto power to express disapproval of a legislative measure as a whole. It does not empower the President to delay the obligation of funds for programs and policies established by law, simply because he does not agree with those programs and policies. The Committee understands the need for executive discretion to be used in order to efficiently administer funds, or to effect savings where changes in requirements or other developments subsequent to the enactment of appropriations make savings possible. However, the Committee finds the use of deferrals to negate or distort legislated program and policy objectives, or to suspend funding of a program merely because the administration wishes the Congress to consider an alternative proposal, inappropriate. It is particularly disturbing to the Committee that it worked with the administration to establish acceptable funding levels for certain programs so that an appropriations measure would be signed into law; that the President did, in fact, sign the measure into law, and now is deferring funds which should be obligated in accordance with that law.

These policy deferral actions are even more troublesome since the Supreme Court decision in *Immigration and Naturalization Service* v. *Chadha* has effectively disarmed the Congress of its most expedient statutory method of releasing deferred funds for obligation—a simple resolution of disapproval passed by a majority vote of one House of the Congress. It is not feasible to assume that the President would sign a joint resolution or bill proposing to do no more than disapprove the action he has taken, or to assume that the Congress should be required a second time to reassert its will on the appropriation of funds for a particular purpose.

The Committee shares in the frustration of its counterpart House Committee on the issue of policy deferrals. This frustration has prompted the inclusion by the House of a provision in this bill barring the application of section 1013 of the Budget and Impoundment Control Act to funds appropriated in this or subsequent acts. This Committee recommends the deletion of that language due to the procedural complications it would create in the Senate.

Amounts shown in this report as currently deferred are those reported to be deferred as of May 1, 1986, by OMB in its monthly cumulative report to the Congress, as required by section 1014(e) of the Congressional Budget and Impoundment Control Act of 1974. Amounts reported by OMB in the cumulative report are rounded to the nearest thousands of dollars.

BUDGETARY CONSTRAINTS

Under section 311 of the Congressional Budget Act, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177, popularly known as Gramm-Rudman-Hollings), it is not in order in the Senate to consider any bill or resolution reported by a Committee, or any amendment thereto, or any conference report thereon, which would cause the levels of total budget authority or total budget outlays of the most recently agreed to budget resolution or the maximum deficit amount specified in Gramm-Rudman-Hollings for such fiscal year to be exceeded. This requirement can be waived or suspended in the Senate only by an affirmative, three-fifths vote of all Members duly chosen and sworn.

The most recent Senate scorekeeping report on the fiscal year 1986 budget filed by the Senate Budget Committee indicates that any bill or resolution causing an increase in total budget outlays, or a decrease in total revenues, in fiscal year 1986 would trigger a section 311 Budget Act point of order on both counts. This means that any fiscal year 1986 appropriations measure must be deficit neutral in order to comply with the requirements of Public Law 99–177. In other words, the fiscal year 1986 outlay impact of any additional spending must be offset by reductions yielding at least an equivalent amount of outlay savings so that the measure, in the aggregate, does not increase the fiscal year 1986 deficit. The only exception to this requirement is where further appropriations are calculated into the Budget Committee's current level estimate as necessary to carry out the provisions of a previously enacted law affecting a mandatory item. Appropriations for such items, up to the amounts carried in the current level scorekeeping estimate, do not require offsetting savings.

This urgent supplemental appropriations bill, as recommended by the Committee, conforms with these budgetary constraints, meeting the deficit neutrality requirement in toto. The Committee recommends a total of $541,750,000 in new budget authority for mandatory items that the Congressional Budget Office assumes require further appropriations action carried in the fiscal year 1986 current level estimate; these items include veterans compensation and pensions, veterans readustment benefits, and the compact of free association. In addition, $5,300,000,000 recommended for CCC reimbursements for net realized losses is not treated as new budget authority under the terms of the budget resolution.

The Committee would like to emphasize that the provisions of Public Law 99–177 impose different rules for the consideration of appropriations bills in the House and Senate. In the House, an appropriations bill is in order as long as it does not cause the level of new discretionary budget authority allocated to the House Appropriations Committee under the budget resolution to be exceeded. In this specific case, H.R. 4515 as reported by the House Appropriations Committee, in addition to fiscal year 1986 appropriations action to date, is scored as within that House Committee allocation. This difference in the application of Public Law 99–177 to House and Senate appropriations measures will exacerbate the difficulties in conferencing this supplemental since the Senate is required to return with a deficit neutral conference report and the House is not.

BILL HIGHLIGHTS

Major items in the Senate-recommended measure

Program	*Fiscal year 1986 budget authority*
CCC reimbursement for net realized losses	$5,300,000,000
ASCS salaries and expenses (by transfer)	[71,598,000]
SCS watershed and flood prevention operations	36,700,000
Department of State: Embassy security	660,172,000
Philippine assistance	150,000,000
FHA loan guarantees	[57,580,000,000]
GNMA loan guarantees	[49,000,000,000]
HUD management (by transfer)	[30,000,000]
NASA space flight	526,000,000

Major items in the Senate-recommended measure—Continued

Program	*Fiscal year 1986 budget authority*
NASA research and program management (transfer)	[$38,100,000]
Missile procurement, Air Force (by transfer)	[345,400,000]
RDT&E, Air Force (by transfer)	[316,886,000]
EPA construction grants (release of funds)	[600,000,000]
FEMA disaster relief	250,000,000
VA compensation and pensions	272,000,000
VA readjustment benefits	91,000,000
Compact of free association	188,090,000
National Forest System (firefighting)	165,700,000
Alternative fuels production (debt retirement)	[1,020,360,322]
BIA operation of Indian programs	26,500,000
Student financial assistance (Pell grants)	146,000,000
FAA operations	80,000,000
Coast Guard operating expenses	35,500,000
Customs Service salaries and expenses	30,831,000
IRS funding	340,000,000
All other (net)	290,003,000
Deferral disapprovals	[4,889,477,000]
Rescission	(4,713,624,000)
Senate-recommended supplemental	3,874,872,000

NOTE.—Amounts in parenthesis ( ) are negative.
Amounts in brackets [ ] are nonadd.

TABULAR BILL SUMMARY

The following table summarizes the Committee recommendation by title and chapter, as compared with the budget request and the House bill level. A complete tabular listing of the Committee recommendation by account is printed at the end of this report.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL

SUMMARY

[Amounts in dollars]

House Doc.	Item	Budget estimates	House bill	Senate committee recommendation	Senate committee recommendation compared with (+ or −)	
					Budget estimates	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	GENERAL SUPPLEMENTALS					
	Total, Chapter I:					
	Agriculture:					
	New budget (obligational) authority	5,306,000,000	68,700,000	5,364,380,000	+58,380,000	+5,295,680,000
	(By transfer)	(71,598,000)	(104,548,000)	(75,548,000)	(+3,950,000)	(-29,000,000)
	(Loan authorization)	(-706,000,000)	---	(-3,000,000)	(+703,000,000)	(-3,000,000)
	(Deferral disapproval)	---	(700,000,000)	(700,000,000)	(+700,000,000)	---
	Total, Chapter II:					
	Commerce, Justice, State and the Judiciary:					
	New budget (obligational) authority	751,518,000	39,046,000	721,425,000	-30,093,000	+682,379,000
	Appropriations 1986	(751,518,000)	(39,046,000)	(734,740,000)	(-16,778,000)	(+695,694,000)
	Rescissions	---	---	(-13,315,000)	(-13,315,000)	(-13,315,000)
	(By transfer)	(12,000,000)	(716,026,000)	(6,400,000)	(-5,600,000)	(-709,626,000)
	(Deferral disapproval)	---	(49,350,000)	(41,738,000)	(+41,738,000)	(-7,612,000)
	Total, Chapter III:					
	Defense:					
	New budget (obligational) authority	-114,500,000	---	-114,500,000	---	-114,500,000
	Appropriations 1986	---	---	(108,000,000)	(+108,000,000)	(+108,000,000)
	Rescissions	(-114,500,000)	---	(-222,500,000)	(-108,000,000)	(-222,500,000)
	(By transfer)	---	---	(662,286,000)	(+662,286,000)	(+662,286,000)

Total, Chapter IV:					
Energy and Water Development:					
New budget (obligational) authority.........	---	25,000,000	---	---	-25,000,000
(By transfer)...............................	(65,000,000)	(65,000,000)	(3,000,000)	(-62,000,000)	(-62,000,000)
(Deferral disapproval)......................	---	(23,156,000)	(23,156,000)	(+23,156,000)	---
Total, Chapter V:					
Foreign Operations:					
New budget (obligational) authority.........	239,840,000	---	165,000,000	-74,840,000	+165,000,000
Appropriations 1986.....................	---	---	---	---	---
(By transfer)...............................	(14,355,000)	(50,000,000)	(37,094,000)	(+22,739,000)	(-12,906,000)
Reappropriation.........................	(239,840,000)	---	(165,000,000)	(-74,840,000)	(+165,000,000)
Total, Chapter VI:					
Housing and Urban Development-Independent Agenci					
New budget (obligational) authority.........	-827,951,000	614,553,000	-3,303,504,000	-2,475,553,000	-3,918,057,000
Appropriations 1986.....................	(614,553,000)	(614,553,000)	(1,139,000,000)	(+524,447,000)	(+524,447,000)
Rescissions.............................	(-1,442,504,000)	---	(-4,442,504,000)	(-3,000,000,000)	(-4,442,504,000)
(By transfer)...............................	(10,100,000)	(138,721,000)	(145,020,000)	(+134,920,000)	(+6,299,000)
(Limitation on administrative expenses, corporate funds)..........................	(3,429,000)	(3,429,000)	(3,429,000)	---	---
(Limitation on guaranteed loans)............	(6,500,000,000)	---	(106,580,000,000)	+100,080,000,000)	+106,580,000,000)
(Limitation on annual contract authority, indfinite)..............................	(-51,518,000)	---	(-51,518,000)	---	(-51,518,000)
(Deferral disapproval)......................	---	(3,462,660,000)	(3,462,660,000)	(+3,462,660,000)	---
Total, Chapter VII:					
Interior and Related Agencies:					
New budget (obligational) authority (net)...	385,220,000	385,785,000	377,340,000	-7,880,000	-8,445,000
Appropriations 1986.....................	(1,405,580,322)	(415,205,000)	(1,429,410,322)	(+23,830,000)	(+1,014,205,322)
Appropriation applied to debt reduction.	(-1,020,360,322)	---	(-1,020,360,322)	---	(-1,020,360,322)
Rescissions.............................	---	(-29,420,000)	(-31,710,000)	(-31,710,000)	(-2,290,000)
(By transfer)...............................	---	(136,000)	---	---	(-136,000)
(Deferral approval).........................	---	---	(-56,010,000)	(-56,010,000)	(-56,010,000)
(Deferral disapproval)......................	---	(615,080,825)	(661,923,000)	(+661,923,000)	(+46,842,175)
(Effect of new deferral)....................	(-1,893,000)	(-7,432,000)	(-18,245,000)	(-16,352,000)	(-10,813,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

SUMMARY—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −) Budget estimates (6)	Senate committee recommendation compared with (+ or −) House bill (7)
	Total, Chapter VIII:					
	Labor, Health and Human Services, and Education:					
	New budget (obligational) authority..........	---	26,000,000	153,000,000	+153,000,000	+127,000,000
	(By transfer)..............................	---	---	(1,241,000)	(+1,241,000)	(+1,241,000)
	Total, Chapter X:					
	Legislative Branch:					
	New budget (obligational) authority..........	79,579,000	10,845,000	22,062,000	-57,517,000	+11,217,000
	Appropriations 1986......................	(79,579,000)	(10,845,000)	(24,745,000)	(-54,834,000)	(+13,900,000)
	Rescissions..............................	---	---	(-2,683,000)	(-2,683,000)	(-2,683,000)
	Total, Chapter XI:					
	Transportation:					
	New budget (obligational) authority..........	6,755,000	135,500,000	115,500,000	+108,745,000	-20,000,000
	(By transfer)..............................	(180,965,000)	(5,000,000)	(93,470,000)	(-87,495,000)	(+88,470,000)
	Total, Chapter XII:					
	Treasury, Postal Service & General Government:					
	New budget (obligational) authority..........	340,000,000	374,056,000	374,169,000	+34,169,000	+113,000
	Appropriations 1986......................	(340,000,000)	(374,056,000)	(375,081,000)	(+35,081,000)	(+1,025,000)
	Rescissions..............................	---	---	(-912,000)	(-912,000)	(-912,000)

TITLE I

CHAPTER I

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES

The Committee recommends total new budget authority of $5,364,380,000 in program supplemental appropriations for activities under the jurisdiction of the Agriculture, Rural Development, and Related Agencies Subcommittee. This is an increase of $58,380,000 above the administration's request, and an increase of $5,266,680,000 above the House level (including transfers to appropriated accounts from the Commodity Credit Corporation [CCC]).

Furthermore, the Committee recommends a net reduction in loan authorization of $3,000,000, which was not recommended by the House. The administration requested a reduction of $706,000,000. The Committee also recommends disapproval of a $700,000,000 deferral of loan authority, as did the House.

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

1986 appropriation to date[1]	$220,772,000
1986 supplemental estimate	
House allowance	25,000,000
Committee recommendation	36,700,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends $36,700,000 for watershed and flood prevention operations. This is $36,700,000 more than the supplemental estimate and $11,700,000 more than the House allowance. Of this amount, $8,000,000 is to continue stream rechannelization, to remove debris and other stream flow impediments, and to repair local flood protection projects in West Virginia. This work is necessitated by severe flooding which occurred in November 1985. Among other things, the Service is expected to remove a sandbar adjacent to the bulwarks in Petersburg, WV, to eliminate an immediate flood hazard in that town. The remaining funds are provided to mitigate damage caused by heavy rains in the Western United States this past winter, to restore the emergency operations account of SCS, to provide $6,700,000 for damage caused by flooding in Hinds, Rankin, and Madison Counties, MS, and to provide for the other needs which have been identified by SCS.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EMERGENCY CONSERVATION PROGRAM

1986 appropriation to date	
1986 supplemental estimate	
House allowance	$10,000,000
Committee recommendation	

The Committee recommends no appropriation for the Emergency Conservation Program. This is the same as the supplemental estimate and $10,000,000 less than the House allowance.

The Committee has taken this action due to budget constraints.

AGRICULTURAL RESEARCH SERVICE

BILLINGS AND FACILITIES

1986 appropriation to date[1]	$6,041,000
1986 supplemental estimate	
House allowance	
Committee recommendation	11,100,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

For the "Buildings and facilities" account of the Agricultural Research Service [ARS], the Committee recommends an appropriation of $11,100,000 for construction of the National Soil Tilth Center in Ames, IA. There was no request from the administration for this account. The House bill did not include these funds, although it did address this issue in a different manner.

On March 13, 1986, the Secretary of Agriculture notified the Committee that he was transferring $11,100,000, originally appropriated for the Soil Tilth Laboratory, to the Animal and Plant Health Inspection Service [APHIS], "for the purpose of paying currently outstanding citrus canker claims." While the Committee understands that the urgency of the citrus canker problem required prompt attention, it also expresses deep concern that the Department did not notify Congress until after the decision had been made to transfer these funds. In the future, if the Department feels that a transfer of funds is necessary, the Committee insists that it be consulted as far in advance as is reasonably possible under whatever circumstances may exist at that time.

The House proposed to provide a transfer of $14,000,000 from the Commodity Credit Corporation to APHIS, which would, in turn, transfer funds back to ARS. The Committee recommends a direct appropriation, rather than requiring such transfers.

The Committee is including this appropriation in this urgent supplemental appropriations bill because of the nature of the circumstances and because construction plans have been halted pending such action by the Congress. It is likely that no outlays will be associated with this appropriation in fiscal year 1986, although construction contracts may be let before the end of the fiscal year.

FOOD SAFETY AND INSPECTION SERVICE

1986 appropriation to date[1][2]	$352,211,000
1986 supplemental estimate	
House allowance	3,700,000
Committee recommendation	4,500,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] Includes $5,735,000 which was appropriated to the extent an official budget request was submitted. A request for the full amount was received March 4, 1986.

The Committee recommends an appropriation of $4,500,000 for the Food Safety and Inspection Service. This is $4,500,000 more than the supplemental estimate and $800,000 more than the House allowance.

The Food Safety and Inspection Service [FSIS] ensures that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled and packaged. Among other responsibilities, FSIS provides mandatory in-plant inspection of all domestic establishments preparing meat and poultry for sale or distribution. Consequently, if inspectors are not present, these plants may not proceed with food preparation operations. New plants, and plants which are planning expansion of their operations, may, therefore, be limited by this requirement if sufficient funding for FSIS is not available. The agency currently has plans to furlough its employees for 3 days during this fiscal year because of budget constraints. The amount provided in the Committee's recommendation would alleviate the need for that action, as well as provide for employment, training, and support of adequate staff to ensure that all FSIS responsibilities are carried out in fiscal year 1986.

PACKERS AND STOCKYARDS ADMINISTRATION

1986 appropriation to date[1]	$8,753,000
1986 supplemental estimate	
House allowance	
Committee recommendation	80,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an additional appropriation of $80,000 for the Packers and Stockyards Administration [P&SA]. This is $80,000 more than the supplemental estimate and the House allowance.

Public Law 99–198, enacted December 23, 1985, directed the establishment of a procedure for notification to purchasers of farm products that a lien exists on the products they have purchased. The Secretary's responsibilities under section 1324 of the act have been delegated to the Assistant Secretary for Marketing and Inspection Services and to the Administrator of the Packers and Stockyards Administration. P&SA has issued regulations as required by the act and will carry out the Secretary's responsibilities under the act to certify that central filing systems are established and implemented in conformance with the requirements of the act. These additional funds will be used to carry out the requirements stated in the act.

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AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

DAIRY INDEMNITY PROGRAM

1986 appropriation to date[1]	$95,000
1986 supplemental estimate	6,000,000
House allowance	10,000,000
Committee recommendation	9,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Dairy Indemnity Program makes indemnity payments, at fair market value, to farmers and manufacturers of dairy products who have been directed to remove their milk from commercial markets because it contained residues of chemicals registered and approved by the Federal Government at the time of their use. It also provides indemnity payments for dairy cows producing milk contaminated with pesticide residues. The Food Security Act of 1985 reauthorized the program through fiscal year 1990.

The Committee recommends an appropriation of $9,000,000 for the Dairy Indemnity Program. This is $3,000,000 more than the supplemental estimate and $1,000,000 less than the House allowance. This amount would provide $8,000,000 for payment to dairy farmers and milk processors in Arkansas, Missouri, and Oklahoma to indemnify them for milk products contaminated by the pesticide heptachlor. It would also provide $1,000,000 to the Animal and Plant Health Inspection Service and the Food Safety and Inspection Service for contamination testing.

Although the Department is authorized under current law to indemnify dairy herd owners for contaminated cows rather than pay only "downtime" expenses until the contamination no longer exists within the cow, the Committee understands that departmental regulations do not now allow that. The Department is directed to evaluate the cost/benefit analysis of such indemnification, and, if necessary and appropriate, to amend its regulations accordingly. The Department is also directed to consider the cost savings and benefits to the farmers of providing indemnification, where to do so would make the farmers completely whole, by substituting for contaminated cows those cows that are a part of the Dairy Buyout Program.

The Committee recommends deletion of language in the House bill requiring a report on milk contamination and estimated losses to the dairy industry by April 15, 1986.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

DIRECT LOANS

VERY LOW-INCOME HOUSING REPAIR—SECTION 504

1986 appropriation to date[1]	($14,355,000)
1986 supplemental estimate	(–7,000,000)
1986 deferral[2]	(–7,000,000)
House allowance:	
Supplemental	
Deferral	
Committee recommendation:	
Supplemental	(–4,500,000)
Deferral	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] Funds would be deferred until September 30, 1986.

The Committee recommends a reduction in section 504 very low-income housing repair loans of $4,500,000. The administration requested a $7,000,000 reduction, and the House bill had no such provision. It now appears that only $9,855,000 will be needed for loans during fiscal year 1986.

The Committee also recommends concurrence in the House disapproval of the $700,000,000 proposed deferral D86–60, submitted by the President on March 12, 1986, which included a deferral of $7,000,000 for very low-income housing repair loans. The Committee understands that the funds proposed for deferral are the same funds proposed for reduction in the negative supplemental request.

INSURED LOANS

1986 appropriation to date[1]	($2,021,184,000)
1986 supplemental estimate	(–699,000,000)
1986 deferral[2]	(–693,000,000)
House allowance:	
Supplemental	
Deferral	
Committee recommendation:	
Supplemental	(1,500,000)
Deferral	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] Funds would be deferred until September 30, 1986.

The Committee recommends an increase in the insured loan program of $1,500,000. This is $1,500,000 more than the House allowance. The supplemental estimate was based on a requested reduction in loan authorization of $699,000,000, including $693,000,000 proposed for fiscal year 1986 in the President's fiscal year 1987 budget request and $6,000,000 proposed on April 14, 1986, as an offset for the budget request for the Dairy Indemnity Program.

The increase recommended by the Committee will provide funds for site loans for mutual and self-help housing projects, as authorized by title V of the Housing Act of 1949, as amended. This increase is offset by a reduction in section 504 very low-income housing repair loans, as discussed earlier in this report.

The Committee recommends that the Senate concur in the House disapproval of the $693,000,000 rural housing deferral, which was also included in the proposed $700,000,000 deferral D86–60, submitted to the Congress on March 12, 1986. This proposed deferral also included the $7,000,000 reduction for very low-income repair loans which was discussed earlier. The Committee understands that the funds proposed for deferral are the same funds that were proposed for elimination in the first negative supplemental request, submitted with the President's 1987 budget, which is also discussed above.

VERY LOW-INCOME HOUSING REPAIR GRANTS

1986 appropriation to date[1]	$11,891,000
1986 supplemental estimate	....
House allowance	....
Committee recommendation	3,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

For very low-income housing repair grants, the Committee recommends an additional appropriation of $3,000,000. This is $3,000,000 more than the supplemental estimate and the House allowance.

This program provides grants to very low-income elderly owner-occupants to make necessary repairs to improve and modernize their dwellings in order to remove safety and health hazards. A grant can be made in combination with a section 504 very low-income housing repair loan. The decreased demand for loans in relation to the demand for grants will allow this appropriation to be financed by a reduction in section 504 loans, as discussed earlier in this report.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(TRANSFER FROM COMMODITY CREDIT CORPORATION)

1986 appropriation to date[1]	($383,586,000)
1986 supplemental estimate	(71,598,000)
House allowance	(71,598,000)
Committee recommendation	(71,598,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Agricultural Stabilization and Conservation Service [ASCS] is the agency responsible for administering the programs of the Commodity Credit Corporation, as well as certain conservation cost-share programs.

For salaries and expenses of ASCS, the Committee recommends an appropriation of $71,598,000, to be derived by transfer from the Commodity Credit Corporation. This is the same as the supplemental estimate and the House allowance.

These additional funds are necessary to adequately carry out the provisions of the Food Security Act of 1985, as well as other responsibilities of ASCS and the CCC, as mandated by law.

CCC COTTON NONRECOURSE LOAN PROGRAM

Section 501 of the Food Security Act of 1985, Public Law 99–198, gives the Secretary of Agriculture authority to minimize Commodity Credit Corporation outlays and inventory by allowing eligible cotton producers to accept a loan deficiency payment in lieu of utilizing the loan program. The Secretary is also given the authority to further reduce the demand on CCC outlays by making up to one-half of these payments in the form of negotiable marketing certificates.

The Committee believes, when properly administered, the loan deficiency payment provision will encourage producers to market some or all of their eligible cotton rather than place it under loan. The Committee recognizes when any quantity of eligible cotton is marketed rather than being placed under loan, CCC outlays are reduced. The Committee commends the Secretary for including this provision in the 1986 cotton program.

However, the Committee is concerned that the Department of Agriculture is not properly interpreting congressional intent of the provision and is recommending certain regulations that alter traditional operation of the CCC nonrecourse cotton loan program. The Committee believes Congress intended the loan program to continue operating in the traditional manner, unrestricted, including allowing eligible producers to make marketing decisions on a bale-by-bale basis. Congress clearly did not intend for this option to limit a producer's flexibility or access to the loan program, but rather intended the authority to be used to encourage producers to market their cotton in an orderly manner whenever marketing opportunities were available.

If administered to provide maximum flexibility in marketing cotton, particularly through forward contracts, producers are more likely to opt for the loan deficiency payment thereby reducing CCC outlays. However, regardless of the attractiveness of forward contracts or other marketing opportunities early in the season, producers would be reluctant to utilize the loan deficiency payment option if their access to the loan is limited in any way.

The Committee, therefore, urges the Secretary of Agriculture to approve only those regulations that continue the traditional nonrecourse loan program, including the bale-by-bale decision flexibility, while providing an option to reduce CCC outlays and Government cost, and increase producers' efficiency in marketing cotton.

FOOD AND NUTRITION SERVICE

FEEDING PROGRAM FOR WOMEN, INFANTS, AND CHILDREN [WIC]

1986 appropriation to date[1]	$1,560,494,000
1986 supplemental estimate	
House allowance	20,000,000
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends no supplemental appropriation for the women, infants, and children [WIC] program. This is the same as the supplemental estimate and $20,000.000 less than the House allowance.

This appropriation is not needed for increased costs of food package items, but would only fund inflated caseloads for which Federal funds had never been pledged. The Committee understands that a few States have requested additional funding to make up for shortfalls which were actually created by improper planning on the part of those States. The Committee believes that providing such funding would be unfair to those States which have properly administered their programs within funds allocated to them.

The Committee does, however, concur with the House report language requiring the Department to consult with the Committee prior to any changes in the allocation formula for the WIC program.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

The Committee concurs with the House provision requiring the Department to restore the $3,950,000 which was transferred from the Commodity Supplemental Food Program [CSFP] to the Commodity Credit Corporation, until such time as the transfer is approved. This program provides supplemental foods to infants and children up to age 6 and to pregnant, postpartum, and breastfeeding women who have low incomes and are residing in approved project areas. Benefits are also provided to low-income senior citizens.

It has been brought to the Committee's attention that the authorized caseload ceilings announced by the Department in March for the Commodity Supplemental Food Program will cause a number of States to reduce participation in fiscal year 1986 to levels lower than those served in fiscal year 1985. The Committee understands that the Department based the fiscal year 1986 authorized caseloads on data gathered from only 2 months of 1985, rather than on an annual participation rate. To rectify this situation and to prevent severe disruptions in these programs this year, the Committee directs the Department to recalculate the fiscal year 1986 caseload ceilings on the basis of historical patterns of those actually served. The Department should consider maximum monthly participation levels for fiscal year 1985 and for fiscal year 1986 to date and take into account the deteriorating economic conditions which are causing an increase in the number of persons who are in need and can be served in States which have experienced steep increases in unemployment rates this year.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

1986 appropriation to date	$19,608,926,000
1986 supplemental estimate[1]	5,300,000,000
House allowance	
Committee recommendation	5,300,000,000

[1] Requested as a permanent, indefinite appropriation.

For reimbursement for net realized losses of the Commodity Credit Corporation, the Committee recommends an additional $5,300,000,000. The administration requested a permanent, indefinite appropriation, and the House bill provided no funds.

USDA recently conducted a further review and determined that CCC funding requirements have again increased. Advanced cash deficiency payments are higher than were estimated in the original budget submission. Bids accepted under the dairy termination program were higher than originally assumed, and implementation of the red meat purchase program was implemented more rapidly than was anticipated. The additional funds will be necessary to meet these obligations and provide a reasonable operating reserve for the remainder of the fiscal year.

CITRUS CANKER

The Committee recommends deleting section 1 of title IV of the House bill which transfers $14,000,000 from the Commodity Credit Corporation to the Animal and Plant Health Inspection Service to address the citrus canker problem in the State of Florida.

The Committee remains concerned over citrus canker problems. It is noted that after almost 2 years of participating in a joint canker detection and control program with the State of Florida, USDA terminated its presence in this program on April 1, 1986. It is now virtually the sole responsibility of the State and the Florida citrus industry to continue the canker detection and control effort. The yearly estimated cost of this effort is $6,400,000.

The Committee acknowledges and appreciates the valuable assistance given by USDA in the canker control effort. However, the Committee is concerned about the ongoing cost of this program and believes USDA should continue to participate in a meaningful way in the control and eradication effort.

The Committee is aware that a balance of some $2,800,000 will remain at the end of this fiscal year from funds previously transferred to APHIS for payment of indemnity claims under the citrus canker program. Accordingly, to help offset State and industry costs for the operation of the Canker Detection and Control Program during the remainder of this fiscal year, the Committee directs USDA to make available $1,000,000 from these funds to support the canker program in Florida. These funds shall be used only to the extent that they are matched on a 50–50 basis with State funds. The Committee also acknowledges the possible need for USDA to continue financial assistance to this effort during fiscal year 1987.

COOPERATIVE STATE RESEARCH SERVICE

Again, because of budgetary constraints, the Committee does not recommend the transfer of $5,000,000 from the Commodity Credit Corporation to the Cooperative State Research Service for the development of an international trade center at Oklahoma State University. Further, the Committee feels that an urgent supplemental appropriations bill is not the proper place for inclusion of funding for a new construction project.

AVIAN INFLUENZA

The Committee does not recommend the use of $10,000,000 from the Commodity Credit Corporation to control and eradicate avian influenza, as provided for in section 2 of the House bill.

While the Committee is extremely concerned about the avian influenza outbreak and its potential for losses to our poultry producers, there are currently no outstanding claims requiring Federal funding. Should an extensive outbreak occur in the future, comparable to the 1983–84 outbreak, the Committee will give full consideration to providing such funds.

The Committee recognizes the necessity for streamlined procedures to deal with such outbreaks, and, therefore, directs the Secretary to report to the Congress no later than July 1, 1986, on the feasibility of a contingency fund for addressing animal health emergencies similar to an avian influenza outbreak. During its fiscal year 1987 budget deliberations, the Committee will consider the establishment of a contingency fund.

BLACKBIRD CONTROL

In the fiscal year 1986 Appropriations Act (Public Law 99–190), the Animal Damage Control Program was transferred from the Department of the Interior to the Department of Agriculture. The Committee has learned, however, that some of the administrative funds were not transferred and, therefore, the program's resources are strained.

The Committee will expect the Department to continue to operate the program as originally intended and directs the Department to make available an additional $200,000 to the Animal Damage Control Program from within available funds to carry out a pilot program which would expedite the movement of migrating blackbirds through the sunflower-growing region. In making such funds available, the Department should ensure that no program would be impaired by such action.

CROP INSURANCE

Serious droughts in the Southern United States may prevent peanut growers from meeting the Federal crop insurance planting deadline. Their inability to meet this deadline will result in the loss or reduction of production guarantees. Accordingly, because of the unusual weather conditions affecting the South this year, the Committee urges the Federal Crop Insurance Corporation to exercise flexibility and forbearance with regard to the planting deadline for peanuts. If at all possible, peanut growers should not suffer lost or reduced production guarantees.

DEFICIENCY PAYMENTS

The Committee is concerned that farmers in some parts of the country, most notably in South Dakota, North Dakota, and Minnesota, may be prevented from planting their crops due to heavy rains and flooding. Current law requires that producers refund deficiency payments if they are prevented from planting. Since many farmers already have spent this money to meet spring operating expenses and due to the poor financial condition of many farm operators, the refunding of these advance deficiency payments would create undue economic hardship.

Therefore, the Committee recommends language which, for the 1986 crops only, allows producers to keep advance deficiency payments made by the Secretary if they are unable to plant the intended crop or any other nonconserving crop because of flood, heavy rains, or excessive moisture, and if the farms are located in an area designated as a disaster area.

The amount of the deficiency payment eligible producers shall receive and keep shall be the amount the Secretary makes available to producers as an advance deficiency payment.

PREPAYMENT OF FFB LOANS

The Committee recommends language which permits REA borrowers to prepay any or all loans with the Federal Financing Bank [FFB], by payment of the full amount of the unpaid principal balance on such loan advances. No sums in addition to payment of these balances shall be required from borrowers, the Rural Electrification and Telephone Revolving Fund, or the Rural Electrification Administration as a result of these prepayments. REA borrowers may prepay these FFB loans only if they use private sector capital to make these prepayments. Existing REA guarantees on loans to be prepaid will also guarantee loans from private capital sources for like amounts used for these prepayments. This provision is needed in order to reduce financial distress and promote rate competitiveness.

CHAPTER II

SUBCOMMITTEE ON COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES

The Committee recommends a total of $721,425,000 in new budget authority for program supplementals for activities within the jurisdiction of the Subcommittee on Commerce, Justice, and State, the Judiciary and Related Agencies. This is a reduction of $30,093,000 from the administration's request of $751,518,000, and $682,379,000 more than the House recommendation. The Committee also recommends a total of $13,315,000 in rescissions. The Committee has disapproved deferrals totaling $50,238,000.

The major difference between the House and Committee funding levels is that the House proposes to fund the supplemental for diplomatic security by transfer while the Committee is recommending new budget authority.

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(DISAPPROVAL OF DEFERRAL)

1986 appropriation to date[1]	$192,549,747
1986 deferral	(−40,000,000)
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee concurs with the House in recommending the disapproval of the administration's action to defer $40,000,000 in funds previously appropriated for economic development assistance programs.

Disapproval of the deferral (D86–36) and the release of funds associated with a companion rescission request restores this program to the level appropriated in Public Law 99–180 as modified by the sequester of funds under Public Law 99–177.

The Committee is not recommending the inclusion of bill language added by the House to earmark additional funds for two projects provided in Public Law 99–190.

National Oceanic and Atmospheric Administration

OPERATIONS, RESEARCH AND FACILITIES

1986 appropriation to date[1]	$1,086,339,000
1986 supplemental estimate	
House allowance	
Committee recommendation	10,822,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $10,822,000. This is $10,822,000 more than the supplemental estimate and the House allowance.

Of the funds recommended, $6,472,000 are to be used to maintain staffing at the National Weather Service to prevent an 8-day furlough of essential employees. The remaining $4,350,000 are to be used to meet the shortfall caused by increased hurricane reconnaissance flights, including additional flights due to the launch failure that destroyed a geostationary operational environmental satellite [GOES–G] on May 3, 1986.

GREAT LAKES NATIONAL PROGRAM OFFICE

The Committee recognizes the importance of maintaining the environmental health of the Great Lakes. It also recognizes the lack of a central office within NOAA to coordinate management and research on issues affecting the Great Lakes. For this reason, the Committee directs the National Oceanic and Atmospheric Administration to establish a Great Lakes National Program Office prior to the end of the current fiscal year.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

U.S. MARSHALS SERVICE

1986 appropriation to date[1]	$143,550,000
1986 supplemental estimate	
House allowance	
Committee recommendation	2,600,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $2,600,000 for the U.S. Marshals Service. This is $2,600,000 more than the supplemental estimate and the House allowance.

The Committee recommendation will provide additional resources to meet increased costs being experienced by the Marshals Service in the areas of court security, extended bail hearings, and international fugitive investigations and extraditions. The Committee is concerned over the tendency of the U.S. Marshals Service to inadequately apportion its resources to meet priority areas such as court security and directs that more careful attention be given in the future to projecting and planning for these needs.

SUPPORT OF U.S. PRISONERS

1986 appropriation to date[1]	$54,549,000
1986 supplemental estimate	
House allowance	
Committee recommendation	3,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $3,000,000. This is $3,000,000 more than the supplemental estimate and the House allowance.

The Office of Management and Budget has approved and is in the process of transmitting a request from the Department of Justice to remove the earmark within this appropriation in Public Law 99–180 for the Cooperative Agreement Program, thereby increasing the appropriation for the support of U.S. prisoners in non-Federal institutions. The Committee has not approved the proposal to reduce funding available to the Cooperative Agreement Program, but recognizes that the number of contract jail days to house Federal detainees in State and local correctional facilities has increased beyond original projections and has, therefore, included additional funds for this purpose.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

1986 appropriation to date[1]	$1,157,013,000
1986 supplemental estimate	
1986 rescission estimate	
House allowance:	
Supplemental	
Rescission	
Committee recommendation:	
Supplemental	10,000,000
Rescission	−10,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $10,000,000. This is $10,000,000 more than the supplemental estimate and the House allowance. In addition, the Committee recommends a rescission of $10,000,000.

The recommendation will provide $10,000,000 to the Federal Bureau of Investigation [FBI] for the relocation of its Washington field office in the District of Columbia. The recommendation will also rescind $10,000,000 in previously appropriated funds which will lapse prior to completion of final project negotiations necessary for the obligation of funds. The Committee is advised that the General Services Administration is in the final stages of lease negotiation, and renovations to the building can begin as soon as a lease is signed. The Committee expects this process to be concluded as expeditiously as possible and directs that all phases of the relocation be completed prior to September 30, 1988.

The Committee has included bill language to raise the limitation placed on fees, which the Federal Bureau of Investigation may credit to its appropriation for salaries and other expenses incurred in processing fingerprint identification records for noncriminal employment and licensing purposes. The FBI indicates that due to the number of fingerprint processing requests it has received, the limitation placed on fees in Public Law 99–180 will be exceeded prior to September 30, 1986.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

1986 appropriation to date[1]	$568,267,000
1986 supplemental estimate	
House allowance	
Committee recommendation	3,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $3,000,000. This is $3,000,000 more than the supplemental estimate and the House allowance.

The recommendation will provide additional resources to the Immigration and Naturalization Service [INS] to assist in detaining in contract facilities increasing numbers of Mariel Cubans who have reverted to INS custody. Without additional resources, the Immigration and Naturalization Service would be forced to release other dangerous illegal aliens to meet the detention needs of the Mariels.

DEPORTABLE CRIMINAL ALIENS

The Committee is concerned about the threat to the public safety posed by criminal aliens. The Attorney General, acting through the Immigration and Naturalization Service [INS] shall, no later than September 1, 1986, provide the Committee with a detailed strategy for investigating, apprehending, and deporting criminal aliens; and a report on the specific plans of INS to implement this strategy and to increase the number of criminal aliens it investigates, apprehends, and deports.

The report also should include:

—the number of aliens referred to INS by Federal, State, and local law enforcement agencies in 1985 for investigation as deportable criminal aliens;

—the number of criminal aliens investigated and deported by INS in 1985, and in 1986 as of May 1;

—the number of deportable criminal aliens who absconded in 1985, and in 1986 as of May 1;

—the number of deportable criminal aliens presently under detention by the INS;

—of the cases in which it has been established that an alien meets the criteria for deportation as a criminal and/or illegal alien, how many have been in INS's files more than 6 months, and more than 1 year; and

—the number of criminal investigators on duty since September 30, 1976.

The report should specify what percentage of productive investigative time INS district offices are instructed to expend on deportable criminal alien cases; the percentage of staff time and number of full-time equivalent years in each district dedicated to investigations of criminal aliens; and how many criminal alien cases district offices are instructed to successfully complete each year.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

1986 appropriation to date[1]	$532,953,000
1986 supplemental estimate	10,620,000
House allowance	15,500,000
Committee recommendation	18,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $18,000,000 for the Federal Prison System. This is $7,380,000 more than the supplemental estimate and $2,500,000 more than the House allowance.

The Committee's recommendation will provide for subsistence costs including food, medical care, and clothing, for an average daily inmate population of 37,850. The administration's initial supplemental estimates for this account were based on conservative projections that the average daily inmate population would reach 36,569. Increases in the Federal prison population are primarily attributable to the Comprehensive Crime Control Act of 1984, the indefinite postponement of the agreement to return excludable Mariel Cubans, and the Department of Justice agreement to accept all District of Columbia code felons and misdemeanants sentenced to prison and jails. The Committee recommendation includes an additional $2,500,000 to meet extraordinary expenses associated with additional staff, overtime pay, and repair and maintenance at the Federal penitentiary in Atlanta, where the majority of Mariel Cubans are being detained.

NATIONAL INSTITUTE OF CORRECTIONS

(RESCISSION)

1986 appropriation to date[1]	$10,527,000
1986 rescission request[2]	−3,315,000
House allowance	
Committee recommendation	−3,315,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] The rescission request (R86-61) has expired but is displayed for comparative purposes.

The Committee recommends a rescission of $3,315,000 from funds available to the National Institute of Corrections. This is the same as the original rescission request, which has expired, but $3,315,000 below the House allowance.

The Committee concurs with the administration's request to rescind a portion of prior year unobligated funds available to the National Institute of Corrections. Approval of this request will enable the Committee to partially offset uncontrollable, urgent needs of the Department of Justice, while leaving intact the fiscal year 1986 program level for the National Institute of Corrections.

OFFICE OF JUSTICE PROGRAMS

The Committee directs the Office of Juvenile Justice and Delinquency Prevention to adequately support the National Council of Juvenile and Family Court Judges, which provides continuing judicial and legal education in family and juvenile law. Within existing appropriations, funding should be provided to enable the national council to continue and enhance its vital programs, which seek to foster understanding and compliance with such Federal statutes as the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96–272) and the Child Support Enforcement Amendments of 1984 (Public Law 98–378) that impact on the operations and caseloads of State courts.

REGIONAL INFORMATION SHARING SYSTEMS

The Committee is aware of the intent of the Department of Justice to change the grant terms of the Regional Information Sharing System [RISS] projects, to place the seven projects on a grant year to coincide with the Federal fiscal year. While the Committee does not object at this time to such a proposal, it directs that any unobligated portion of the $9,900,000 provided for RISS in Public Law 99–180 resulting from such action be held in reserve for the RISS programs until Congress has an opportunity to act on the fiscal year 1987 appropriation for the Department of Justice.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF JUSTICE

TRAVEL LIMITATION

The Committee has included bill language limiting the funds appropriated to general administration, salaries and expenses for travel by the Attorney General. The Committee encourages the Department of Justice to give every possible consideration to the views of protection and advocacy agencies when conducting settlement negotiations pursuant to investigations under the Civil Rights of Institutionalized Persons Act.

MODEL STATE STATUTE

The Committee has included a general provision directing the Attorney General, as Chairman of the National Drug Enforcement Policy Board, in consultation with State and local law enforcement agencies to develop a model State statute to prohibit the establishment and use of freebase cocaine houses. The model statute would assist States in strengthening their laws against crack and rock cocaine and the houses where these drugs are used.

When the Attorney General appeared before the Commerce, Justice, State, the Judiciary and Related Agencies Subcommittee on April 17, 1986, he expressed support for a model statute.

DEPARTMENT OF STATE

The Congress has been a strong supporter of efforts to provide greater security for American government employees located at State Department posts overseas. From fiscal year 1980 through fiscal year 1985, $965,900,000 has been appropriated to the Department for security programs. In addition, the Department of State Appropriation Act, 1986, included $445,042,000 in funding for diplomatic security, for a total through 7 years of $1,410,942,000.

The Department is requesting supplemental appropriations of $702,026,000 in fiscal year 1986. In fiscal year 1987 the request for diplomatic security is $1,735,791,000, an increase of $1,413,125,000 above the current services level. These requests represent the initiation of a 5-year effort to improve diplomatic security at home and abroad at an estimated cost of $4,368,807,000.[1]

The Committee is concerned that the Department receive adequate funds for needed security improvements. However, the Committee is not convinced the Department is prepared at this time to absorb and properly manage the funds being requested for the remainder of fiscal year 1986. For example, a report submitted by the Under Secretary of State for Management on the status of fiscal year 1985 security supplemental funds indicates that $20,325,000 has been committed and $110,168,000 has been obligated of the total supplemental appropriation of $343,363,000. (The Fiscal Year 1985 Appropriations Act, Public Law 99–88, requires monthly reports on the obligation of security funds. The latest report available to the Committee was forwarded on May 2, 1986, and provides information through February 28, 1986. Reports were not submitted for October, November, and December 1985, or for March and April 1986. The Committee directs the Department to comply with the provisions of Public Law 99–88 and resume monthly reports immediately on all funds provided for diplomatic security.)

In addition, the Congressional Budget Office has estimated that approval of the full supplemental request will result in outlays of $180,119,000 in fiscal year 1987. This is more than twice the amount assumed for this program in Senate concurrent resolution 120, the concurrent budget resolution for fiscal year 1987 as approved by the Senate. It would be imprudent to approve a budget request with such a large impact on outlays prior to a final agreement on the budget resolution. Therefore, the Committee is recommending bill language to delay the obligation of the funds provided for the Department of State until September 30, 1986. Sufficient reserves of unobligated funds are available for the Department to meet any high priority security needs until these funds become available for obligation on September 30, 1986.

The Committee is not recommending the acceptance of language included in the House bill to provide for the funding of the Diplomatic

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[1] Totals do not include antiterrorism assistance.

Security Program by transfers from the Department of Defense and unearmarked foreign aid accounts. In addition, the Committee is not recommending acceptance of the provision requiring that funds provided for the Diplomatic Security Program shall be used in accordance with the House authorization bill. Existing reprogramming procedures will provide for adequate congressional oversight.

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

1986 appropriation to date[1]	$1,392,362,000
1986 supplemental estimate	237,494,000
House allowance (by transfer)[2]	(237,494,000)
Committee recommendation	288,047,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from the Department of State and unearmarked foreign aid accounts.

The Committee recommends an appropriation of $288,047,000. This is $50,553,000 more than the amount requested and the House allowance.

The Committee has provided funds on an annualized basis for high priority security needs of the Department of State. Components of this recommendation include:

$93,780,000 and 79 positions for residential security;

$72,330,000 for perimeter security;

$10,132,000 and 31 positions to counter electronic penetration systems;

$10,491,000 and 35 positions for managing an overseas guard program and improving the professionalism of these guards;

$8,000,000 and 126 positions for the protection of foreign dignitaries;

$12,000,000 and 70 positions for security training and professionalism, of which $4,200,000 and 41 positions are for the new bureau of diplomatic security (including 6 positions for terrorist threat analysis);

$36,104,000 and 58 positions for communications, primarily protection of classified office equipment and radio support;

$8,000,000 and 30 positions for information systems and security (does not include funding for an alternate automated data processing facility);

$25,000,000 to replace certain foreign service national employees at Soviet and Eastern European posts with American contract employees;

$10,000,000 and 50 positions for other overseas and domestic support, of which 5 positions are for legal support, 5 positions are for personnel support, 8 positions are for financial support, and 8 positions are for inspection and audit support; and

$2,210,000 for other agency support including the Agency for International Development ($500,000), the U.S. Information Agency ($1,460,000), and the Peace Corps ($250,000).

Of the 712 new positions requested for diplomatic security, the Committee is authorizing 479, a reduction of 233 positions. Of the total positions available, up to 19 positions and $4,200,000 shall be for security liaison. Priority has been given to positions directly related to security.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

1986 appropriation to date	$322,509,000
1986 supplemental estimate	454,532,000
House allowance (by transfer)[1]	(454,532,000)
Committee recommendation	372,125,000

[1] By transfer from the Department of Defense and unearmarked foreign aid accounts.

The Committee recommends an appropriation of $ 372,125,000. This is $82,407,000 less than the amount requested and the House allowance.

The Committee recommendation includes funds for completion of a number of high priority construction projects included in the Fiscal Year 1985 Supplemental Appropriations Act and the Fiscal Year 1986 Department of State Appropriation Act. These include:

Bahrain, Manama	$2,212,000
Bangladesh, Dhaka	5,651,000
Bolivia, La Paz	12,611,000
Chile, Santiago	44,556,000
Cyprus, Nicosia	5,030,000
Djibouti, Djibouti	800,000
Guyana, Georgetown	4,757,000
Honduras, Tegucigalpa	4,351,000
Jordan, Amman	24,901,000
Kuwait, Kuwait	6,002,000
Oman, Muscat	681,000
Qatar, Doha	6,358,000
Somalia, Mogadishu	19,287,000
Sudan, Khartoum	33,940,000
Switzerland, Geneva START	56,170,000
Tunisia, Tunis	30,200,000
Turkey, Istanbul	18,925,000
Venezuela, Caracas	20,721,000
Yemen, Sanaa	8,556,000
Total, construction	305,709,000

The Committee is also recommending $25,000,000 in additional funds for the Moscow Embassy project for security related matters.

The Committee's recommendation also provides $26,161,000 for relocations and rehabilitations of missions of the Agency for International Development, including new construction or relocations in San Salvador and Khartoum. In addition, $8,436,000 is provided for the relocation of offices, libraries, and cultural centers of the U.S. Information Agency, and $3,500,000 is provided to enhance security at overseas offices of the Department of Commerce.

Finally, the Committee is recommending $3,319,000 and 88 positions for project support. This is a reduction of 89 positions from the request of 177 positions. However, the Committee does not believe it is in the best interest of the State Department to institutionalize a large staff structure in the foreign buildings office given the cyclical nature of construction projects. The Committee supports the Department's intention to rely on private sector expertise for program and project management activities.

The Committee is concerned about the accuracy of budget estimates prepared for individual projects. In some cases it appears the posts were not consulted prior to submission of the supplemental budget request to the Congress. The Committee expects strict adherence to reprogramming procedures before sites are acquired, before construction begins, and if changes are made in project plans as presented to the Congress.

COUNTERTERRORISM RESEARCH AND DEVELOPMENT

1986 appropriation to date	....
1986 supplemental estimate	$10,000,000
House allowance (by transfer)[1]	(10,000,000)
Committee recommendation	....

[1] By transfer from the Department of Defense and unearmarked foreign aid accounts.

The Committee recommends no supplemental appropriation for this program. This is $10,000,000 less than the amount requested and the House allowance.

The Committee believes this program is duplicative of other programs within the Government. However, it will review the request again prior to taking action on appropriations for fiscal year 1987.

THE ASIA FOUNDATION

1986 appropriation to date[1]	$9,570,000
1986 supplemental estimate	....
House allowance	2,000,000
Committee recommendation	2,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $2,000,000 for the Asia Foundation. This is $2,000,000 more than the supplemental estimate and the same as the House allowance.

These funds will provide for important voter and civic education efforts and allow the Foundation to meet some of the urgent requests for democratic institution-building programs in the Philippines.

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

CARE OF BUILDING AND GROUNDS

1986 appropriation to date[1]	$2,177,000
1986 supplemental estimate	46,000
House allowance	46,000
Committee recommendaton	46,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $46,000 for the care of the Supreme Court building and grounds. This is the same as the supplemental estimate and the House allowance.

The Committee recommendation will augment the fiscal year 1986 regular appropriation of $250,000 for electrical energy for the Supreme Court building to meet the costs associated with consumption and rate increases.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES OF SUPPORTING PERSONNEL

1986 appropriation to date[1]	$454,479,000
1986 supplemental estimate	1,200,000
(By transfer)[2]	(12,000,000)
House allowance	1,200,000
(By transfer)[2]	(12,000,000)
Committee recommendation	1,200,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from salaries of judges and operation and maintenance of the courts.

The Committee recommends an appropriation of $1,200,000 for salaries of supporting personnel of the Federal judiciary. This is the same as the supplemental estimate and the House allowance. The Committee has not recommended the transfer of $2,000,000 from salaries of judges and $10,000,000 from operation and maintenance of the courts as requested and approved by the House.

The recommendation will provide an additional 200 permanent deputy clerk positions to staff bankruptcy offices in the U.S. district courts. These positions are provided to meet unanticipated increases in bankruptcy workload. Current projections indicate the courts will experience an increase of 2.9 percent in adversary proceedings related to bankruptcy and an average increase of 12.8 percent in the number of bankruptcy petitions filed.

FEES OF JURORS AND COMMISSIONERS

1986 appropriation to date[1]	$41,534,000
1986 supplemental estimate	3,800,000
House allowance	3,800,000
Committee recommendation	3,800,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $3,800,000 for fees of jurors and commissioners. This is the same as the supplemental estimate and the House allowance.

The Committee recommendation will accommodate an unanticipated increase in juror usage which is largely uncontrollable in that it is predicated upon trial activity in the U.S. district courts. Budgetary requirements depend largely upon the volume and the length of jury trials demanded by parties to both civil and criminal actions and by the number of grand juries being convened by the courts at the request of U.S. attorneys. The Judicial Conference of the United States has indicated that without additional resources, U.S. district courts will have to postpone until fiscal year 1987 all civil jury trials scheduled for the last quarter of fiscal year 1986.

SPACE AND FACILITIES

COURT FACILITIES

The Committee concurs with the House report language directing the judiciary not to curtail activities at the Delta Division of the U.S. district court at Clarksdale, MS.

However, the Committee notes that the Judicial Conference of the United States, in an effort to reduce expenditures in compliance with the sequestration of funds pursuant to the Balanced Budget and Emergency Deficit Reduction Act of 1985, has requested that the courts consider closing facilities which are not essential. The Judicial Conference also has asked the courts to reevaluate the need for resident deputies in divisional offices where the volume of filings will not justify a full-time position. While the Committee is generally in support of the action taken, it also is concerned that court facilities may be closed without regard to the needs of the bar and the public. The Committee also recognizes the fact that any district court, pursuant to the provisions of 28 United States Code 140, may, with the consent of the Judicial Council of the Circuit, pretermit any regular session of court for insufficient business or other good cause. Notwithstanding, the Committee directs that it be notified in accordance with the reprogramming procedures of section 606 of Public Law 99-180 before any court facility is closed.

ADMINISTRATIVE OFFICE OF THE U.S. COURTS

STUDY OF CONSTRUCTION OF OFFICE BUILDING

1986 appropriation to date	....
1986 supplemental estimate	$2,000,000
House allowance	2,000,000
Committee recommendation	1,300,000

The Committee recommends an appropriation of $1,300,000 for a study of construction of an office building for the Federal judiciary. The recommendation is $700,000 less than the supplemental estimate and the House allowance.

Funding for a study of construction alternatives for a building or buildings to consolidate the various offices of the Federal courts is authorized by Public Law 99-229. The Committee recognizes the interest of the Federal judiciary in consolidating its administrative functions and the future savings which could accrue from such a consolidation. While the level of funding approved by the Committee is less than the original request, it is the Committee's understanding that its recommendation is sufficient to fund this activity.

GENERAL PROVISION

The Committee recommendation includes language to permit limited transfers between accounts funded in title IV of Public Law 99-180, and directs that prior to making any transfer between accounts, the appropriate entities will comply with the reprogramming procedures set forth in section 606 of Public Law 99-180.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

Maritime Administration

OPERATIONS AND TRAINING

(DISAPPROVAL OF DEFERRAL)

1986 appropriation to date[1]	$66,703,000
1986 deferral	(−1,738,000)
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the disapproval of the administration's proposed deferral (D86–53) in the "Operations and training" appropriation of the Maritime Administration. The Committee recommends the disapproval of proposed deferral as revised (D86–53A) submitted subsequent to House Committee action.

A total of $9,350,000 was proposed for deferral (D86–53) in the message of February 5, 1986, which was transmitted to the Congress by the President. This proposal was comprised of two elements: $8,500,000 provided in the Fiscal Year 1984 Supplemental Appropriations Act (Public Law 98–396) for the acquisition and preconversion costs for a training vessel to be used at the State University of New York Maritime College and $850,000 provided in the fiscal year 1984 appropriations act (Public Law 98–166) for fuel oil assistance to State maritime academies. In the Presidential message of March 20, 1986, deferral D96–53 was amended to include $888,000 provided in the fiscal year 1985 appropriations act (Public Law 98–411) for overhauling and conversion of the Massachusetts Maritime Academy training ship, the *Patriot State*. The Committee denied a proposal to rescind these funds in the Fiscal Year 1985 Supplemental Appropriations Act (Public Law 99–88).

The Committee notes that by letter of April 8, 1986 (OGC 86–11), the Comptroller General of the United States informed Congress that $8,500,000 of the amount proposed for deferral has been made available for obligation. The Committee expects the Department of Transportation and the Maritime Administration to immediately make available the remaining $850,000 for fuel assistance for the State maritime academies and $888,000 for overhaul and conversion of the Massachusetts Maritime Academy training vessel.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

1986 appropriation to date[1]	$98,284,000
1986 supplemental estimate	14,500,000
House allowance	14,500,000
Committee recommendation	18,800,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $18,800,000. This is $4,300,000 more than the supplemental estimate and the House allowance.

The fiscal year 1986 authorization, budget request, and appropriation for Board for International Broadcasting [BIB] grants to Radio Free Europe/Radio Liberty, Inc. [RFE/RL] were based on estimated exchange rates of 3.08 West German marks, 160.16 escudos, and 171.80 pesetas to the dollar. The Committee recommendation for a supplemental appropriation, together with the $3,395,000 available in the BIB currency devaluation fund, will protect the fiscal year 1986 program level from downward fluctuations in foreign currency exchange rates. The Committee is also recommending bill language to allow the Board to use funds previously earmarked for capital modernization to meet the foreign currency exchange rate shortfall. Recent estimates indicate that the supplemental request is insufficient. Therefore, the Committee has provided additional funds to assist the BIB in meeting the program levels provided for in the fiscal year 1986 appropriations act for grants to RFE/RL.

DISASTER LOAN FUND

The Consolidated Budget Reconciliation Act of 1985 (Public Law 99-272) mandated changes in the Small Business Administration's Disaster Lending Program which made agricultural enterprises ineligible for either physical or economic injury disaster loans from SBA. This provision is effective for all disasters declared on or after October 1, 1985. This change results in an inequity for several States because while they had applications in for disaster declarations well in advance of October 1, 1985, the disasters were not declared until after that date. Meanwhile other States' disaster applications were approved prior to October 1, 1985, even though the applications were submitted considerably closer to the October 1 cutoff than the other States.

The Committee recommends changing the Reconciliation Act to stipulate that any States who submitted their applications prior to October 1, 1985, for any disaster occurring prior to that date shall remain eligible for disaster loans to its farmers.

Small Business Administration

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$199,822,000
1986 supplemental estimate	
House allowance[2]	(2,000,000)
Committee recommendation[2]	(2,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.
[2] By transfer from the disaster loan fund.

The Committee recommends an appropriation of $2,000,000 to be derived by transfer from the disaster loan fund. This is $2,000,000 more than the amount requested and the same as the House allowance.

These additional resources are necessary because of increased disaster loan processing requirements for the current fiscal year as a result of natural disasters in Virginia, West Virginia, California, Nevada, Oregon, and Washington.

Federal Communications Commission

SPECTRUM ALLOCATION

The Committee is concerned that the Federal Communications Commission is considering allocating spectrum by a system of random selection. It is clear from the statutory language in the Communications Act and from the legislative history that the random selection process is to be used only to select from mutually exclusive applicants for the same service where spectrum for that service is already allocated. It is not to be used to determine to which service a particular frequency should be dedicated. For example, the Commission's proposal in general docket No. 84-1231 that applicants for different services, such as the private land mobile radio service and the cellular radio service, compete for the same spectrum under a system of random selection amounts to the allocation of spectrum by lottery and is not authorized by law. The Communications Act requires the Commission to award spectrum by making discrete allocations of spectrum to each service as the public interest requires.

U.S. Information Agency

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$546,447,000
1986 supplemental estimate	17,326,000
House allowance	
Committee recommendation[2]	(3,900,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.
[2] By transfer from acquisition and construction of radio facilities.

The Committee recommends an appropriation of $3,900,000 to be derived by transfer from the acquisition and construction of radio facilities. This is $17,326,000 below the supplemental estimate. The House provided no funds pursuant to this request.

The recommendation will allow the U.S. Information Agency to initiate a program of cooperation and exchanges between the United States and the Union of Soviet Socialist Republics as proposed at the Geneva summit meeting. The Agency is planning an exhibition about the communication and information revolution in the United States to tour nine cities in the Soviet Union beginning in the spring of 1987. The 1986 funding request provides for development and production costs.

The total cost for the program will be $17,852,000 over the next 4 fiscal years. Given the budget constraints facing USIA, the Committee urges the Agency to develop plans for a less ambitious program if adequate funds are not available in 1987 and beyond.

In addition, the Committee recommendation provides $500,000 to reimburse radio stations for damages caused by the activities of the Cuban Government. Payment of such claims is authorized by section 7 of the Radio Broadcasting to Cuba Act. The Federal Communications Commission has verified six claims totaling $501,172, and under the act the U.S. Information Agency is given the authority to disburse payments pursuant to these claims.

The Committee is recommending bill language to increase the limitation on receipts credited to this appropriation for proceeds realized from English teaching programs. Presently 34 programs are operating in Africa, the Near East, East Asia, and Europe and have been generating proceeds now estimated to reach $675,000 by September 30, 1986. Without authority to use such proceeds to pay for books and instructors, USIA may have to suspend some of these valuable programs.

The Committee has deferred, without prejudice, consideration of the supplemental requests for the Soviet Union and East European Program ($296,000), the Arts America Program ($1,068,000), and establishment of a television station for Radio in the American Sector [TV-RIAS], Berlin ($12,000,000).

CHAPTER III

SUBCOMMITTEE ON THE DEPARTMENT OF DEFENSE

DEPARTMENT OF DEFENSE—MILITARY

SUMMARY OF COMMITTEE RECOMMENDATIONS

The Committee considered the Department of Defense supplemental request to transfer $62,000,000 of funds available for research and development to the Department of Energy for nuclear directed energy research associated with the Strategic Defense Initiative Program. The House incorporated this provision in chapter III of the bill pertaining to Department of Energy programs which is treated under chapter IV of this report. Additionally, the House included a separate administrative provision.

The Committee recommends redirection of $662,286,000 of funds previously appropriated to fund the Complementary Expendable Launch Vehicle Program to increase the quantity of Titan 34-D7 boosters and initiate a program of medium-sized launchers. These funds are urgently required to provide assured access to space for selected defense payloads through the 1990's. Recommended funds are included in the Air Force procurement and research and development appropriation accounts.

In addition to modification of the House administrative provision on university research, several new provisions are recommended. Some of these provisions are recommended to clarify the congressional intent in Public Law 99-190, the Defense Appropriations Act for 1986. Proposed bill language addresses working capital fund transfers, Marine Corps real property maintenance expenditures, procurement of equipment for Coast Guard mission requirements, extension of funds availability for the Tenth International Pan American Games and the ADP Equipment Management Fund, and extension of the statutory date required for the air defense aircraft competition award. In addition, the Committee proposes repeal of section 8109 contained in last year's Appropriation Act which pertained to authorization requirements.

New provisions are recommended to extend foreign currency fluctuation statutory coverage to the American Battle Monuments Commission, and provide multiyear contract authority and transfer funds for the

Complementary Expendable Launch Vehicle Program. Additionally, bill language is recommended to rescind $114,500,000 from three procurement accounts to offset costs associated with Philippine security assistance as requested by the President. This initiative is addressed in the Foreign Operations section of this report. Last, an extension of the statutory date for military personnel account spending limitations is recommended in view of the delay in enactment of retirement reform legislation.

These provisions, together with specific recommendations, are discussed in detail below.

Operation and Maintenance

Reimbursement for NOAA maps and charts.—The Committee directs the Department of Defense to reimburse the National Oceanic and Atmospheric Administration [NOAA] for mapping and charting costs. The Department of Defense, through the Defense Mapping Agency, is the primary user of nautical and aeronautical maps and charts produced by NOAA, consuming over 40 percent of the agency's annual output. NOAA consults with the Department and assigns top priority to defense requirements in establishing its annual Survey and Mapping Program.

In 1986, the administration proposed increasing prices of NOAA maps and charts for user agencies and the public to recover a greater percentage of production costs. The 1986 budget request, and the Commerce, Justice, and State, the Judiciary and Related Agencies Appropriation Act, both were predicated on the Department of Defense reimbursing $10,300,000 to NOAA for financing a part of program cost.

To date, the Department of Defense has not reimbursed NOAA. As a result, the Civil Mapping and Charting Program is underfunded and will be in a deficiency status by July 1986. The Committee believes that accurate maps and charts of U.S. coastal waters and airspace are critically important to defense operations and public safety. The Department of Defense is directed to make the $10,300,000 payment expeditiously from resources available in the "Operation and maintenance" accounts.

OPERATION AND MAINTENANCE, MARINE CORPS

Real property maintenance floor.—The Committee recommends bill language to lower the minimum floor for real property maintenance expenditures. The current floor of $238,000,000 was based on a Real Property Maintenance Program higher than the level enacted. The revised floor level of $223,200,000 represents the standard 90 percent factor for defense Real Property Maintenance Program funding. Reducing the floor also enables an accurate application of fiscal year 1986 sequestration.

OPERATION AND MAINTENANCE, AIR FORCE

Leased C–21A aircraft.—The Air Force is under a long-term lease agreement for 80 Lear jet aircraft [C–21A] with an option to purchase the aircraft beginning in fiscal year 1989. There are growing indications that it may be more cost effective for the Government to procure the aircraft instead of continued leasing. The Committee believes the Air Force should evaluate the manufacturer's proposal to buy these aircraft in the near term. If an early purchase would save 10 percent over current total program estimates (procurement and operations) and cost no more than $176,000,000, the Air Force should submit a reprogramming request from prior year funds to expedite acquisition.

TENTH INTERNATIONAL PAN AMERICAN GAMES

(INCLUDING RESCISSION)

1986 appropriation to date[1]	$9,510,000
1986 supplemental estimate	
1986 rescission estimate	
House allowance:	
Supplemental	
Rescission	
Committee recommendation:	
Supplemental	8,000,000
Rescission	–8,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $8,000,000. This is $8,000,000 more than the supplemental estimate and the House allowance. In addition, the Committee recommends a rescission of $8,000,000.

The Committee's action will extend availability of funds appropriated for the Tenth International Pan American Games. Appropriations in 1986 finance logistical and personnel services provided by the Department of Defense in support of the Tenth International Pan American Games to be held in Indianapolis, IN, in August 1987. Due to the unique intergovernmental and international coordination required in managing the games, the Department of Defense has been unable to award contracts and obligate funds in accordance with the execution plan that would be expected for a normal "Operation and maintenance" account. The Committee's amendment recognizes the special nature of the "Pan American Games" account and allows the Department of Defense an additional year to fully obligate $8,000,000 of the initial appropriation.

Procurement

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

(RESCISSION)

1986 appropriation to date[1]	$4,455,245,000
1986 rescission request[2]	−34,400,000
House allowance	
Committee recommendation	−34,400,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.
[2] Rescission request from funds appropriated in Public Law 99-212.

Rescission.—The President has requested and the Committee recommends a rescission of $34,400,000 from funds appropriated for Army weapons and tracked vehicles in the fiscal year 1984 Defense Appropriations Act. The recommended reduction provides needed expenditure offsets required by the Balanced Budget and Emergency Deficit Reduction Act of 1985 to allow for additional Philippine security assistance. These funds were previously cited as sources of funds for different purposes under section 8103 of the fiscal year 1986 Defense Appropriations Act.

AIRCRAFT PROCUREMENT, NAVY

Tanker conversions.—The Congress provided $110,000,000 in the fiscal year 1986 Defense Appropriations Act for tanker aircraft modifications to support deployed carrier-based fighter aircraft. Of the amount appropriated, $100,386,000 remains available following 1986 sequestration and other internal Navy changes. The Committee recommends transferring the remaining funds for classified and unclassified programs pertaining to the Complementary Expendable Launch Vehicle Program initiative discussed later in this report.

SHIPBUILDING AND CONVERSION, NAVY

(RESCISSION)

1986 appropriation to date[1]	$10,350,341,000
1986 rescission request[2]	−40,100,000
House allowance	
Committee recommendation	−40,100,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.
[2] Rescission request from funds appropriated in Public Law 99-212.

Rescission.—The President has requested and the Committee recommends a rescission of $40,100,000 from funds appropriated for ship construction in the fiscal year 1984 Defense Appropriations Act. The recommended reduction provides needed expenditure offsets required by the Balanced Budget and Emergency Deficit Reduction Act of 1985 to allow for additional Philippine security assistance. These funds were previously cited as sources of funds for different purposes under section 8103 of the fiscal year 1986 Defense Appropriations Act.

COASTAL DEFENSE AUGMENTATION

Funding transfer.—The Committee recommends transfer of $21,250,000 from funds appropriated for "Coastal defense augmentation" to the Coast Guard "Acquisition, construction, and improvements" account for priority Coast Guard capital projects. The Committee recommends this transfer as part of an overall restructuring of these funds.

In the Fiscal Year 1986 Defense Appropriations Act, the Congress provided $375,000,000 for defense-related equipment to help modernize Coast Guard assets. Once purchased by the Navy, this equipment is to be made available to the Coast Guard for operation and maintenance.

Contrary to this legislative direction, the Transportation Department's fiscal year 1987 budget assumes use of these funds for ongoing Coast Guard programs. The Committee does not agree with this strategy, but recognizes that some modification of prior congressional direction would more efficiently address Coast Guard mission requirements.

The Committee reiterates that, except for the $21,250,000 recommended for transfer to the Coast Guard in this bill, funds appropriated in the "Coastal defense augmentation" account may only be used for defense-related requirement purchases by the Navy to meet Coast Guard needs. In contrast to the administration's proposal, these funds are not intended to replace resources normally budgeted by the Department of Transportation for Coast Guard programs.

Appropriated funds are available for the following equipment: Three medium range helicopters, $41,000,000: 16 110-foot patrol boats, $112,000,000; 3 C–130 aircraft, $54,000,000; 24 C–130 radars, $44,500,000; and $14,100,000 for the Buoy Tender Extension Program. Funds remaining after sequestration will be used for future defense-related equipment purchases for the Coast Guard at the direction of the Congress.

AIRCRAFT PROCUREMENT, AIR FORCE

Air defense competition.—The Congress appropriated $200,000,000 in fiscal year 1986 to begin a competitively awarded program for acquisition of air defense fighters. The Congress directed that source selection for that program be completed by July 1, 1986. The Air Force has informed the Committee that it cannot comply with the date specified because of the detailed review required to assure a thorough evaluation. Therefore, the Committee recommends an amendment to the fiscal year 1986 Defense Appropriations Act to change the source selection date to no later than November 1, 1986. Although funds will not be obligated in fiscal year 1986, the Committee recommends retaining the appropriated funds in the "Aircraft procurement" account to cover costs associated with the competition in fiscal year 1987.

MISSILE PROCUREMENT, AIR FORCE

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$7,905,132,000
1986 supplemental estimate	
House allowance	
Committee recommendation	(345,400,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an additional $345,400,000 to initiate an expanded program for expendable launch vehicles to be derived from within available resources. No similar funding has been recommended by the House. Initial funds for a replacement of the *Challenger* shuttle orbiter and R&D costs associated with the use of expendable launch vehicles are discussed elsewhere in the report. Collectively, these initiatives provide for a balanced strategy to regain assured access to space which the Committee considers essential.

Complementary Expendable Launch Vehicle [CELV] Program.—Last year Congress approved the Titan 34–D7 CELV Program as a means to provide assured access to space. The recent shuttle accident, Titan 34–D and Delta missile failures demonstrate the need for independent and complementary means of access to space.

As a result of the shuttle accident, the Department of Defense has developed a supplemental budget request for $562,000,000 and a fiscal year 1987 budget amendment for $801,400,000 to increase its expendable launch vehicle programs. Of that request, $329,400,000 is for the current year and $602,000,000 is planned for 1987 in the "Missile procurement, Air Force" accounts. Of the amount recommended, an allowance of $16,000,000 over the proposed supplemental provides for a special classified program.

The proposed expanded program includes 13 additional Titan 34–D7 launchers, which are 10,000 pound class boosters with Centaur G-prime upper stages, and a competitive procurement of 12 smaller medium expendable launch vehicles to support the Global Positioning Satellite [GPS] Program. Four launches per year, starting in fiscal year 1989, are planned for this smaller launcher program.

Funds are recommended for necessary engineering support, hardware, and software modifications for integrating payloads onto expendable launch vehicles. Funds are also required for engineering support associated with the increased CELV production. Storage of existing payloads and expansion of the Eastern Space and Missile Center [ESMC] to accommodate four Titan 34–D7 launches per year are provided for in the allowance.

The Committee recommendation provides for the first year of the accelerated program. The Committee anticipates that the Defense Department will cover the fiscal year 1987 costs from within resources provided in section 8103 as amended in this bill and discussed elsewhere in the report. This program was developed based on the assumption that a fourth shuttle orbiter will not enter the fleet until 1990. No further shuttle flights are scheduled until July 1987. Recent testimony supports the conclusion that additional CELV's would be required if shuttle availablity is delayed even further.

The additional funding for the CELV and medium expendable launch vehicles are allocated to the following procurement lines:

Global positioning	$6,000,000
Defense satellite comm system	1,000,000
Space boosters	46,000,000
Space boosters, adv proc (CY)	188,700,000
Special programs	103,700,000
Missile procurement, Air Force 86/88	345,400,000

Source of funds.—The Committee allowance is $329,400,000, from funds available under section 8103 of Public Law 99–190 and $16,000,000 from the 1986 "Aircraft procurement, Navy" account. Additional funds for fiscal year 1987 are available under section 8103 as amended in this bill in accordance with the notification reprogramming procedures prescribed.

New CELV acquisition concept.—The Committee understands that the Air Force plans to alter the way it accepts, processes and participates in the assembly of the Titan 34–D7. The Air Force proposes to use a total systems performance responsibility approach which reduces and minimizes Government involvement in the acceptance and assembly process. This will reduce overall program cost by limiting Air Force involvement to systems level management. Under this approach, formal Government acceptance of major subassemblies will be avoided with acceptance of a complete, acceptable booster occurring after launch vehicle liftoff. The Committee is concerned that quality assurance may be diminished under these procedures

The three recent expendable launch vehicle failures illustrate the continuing risks involved with space flight. The highest quality control standards continue to be essential. The Committee is encouraged to learn that the Air Force does not intend to reduce or otherwise redirect its quality control personnel at the ESMC away from the Titan 34–D7 assembly and payload integration process as a result of this new approach to missile procurement. Accordingly, the Committee fully expects the Air Force to maintain the same level of control and visibility into all aspects of quality control in the assembly, integration and acceptance functions in its new role of systems level management.

OTHER PROCUREMENT, AIR FORCE

(RESCISSION)

1986 appropriation to date[1]	$8,152,382,000
1986 rescission request[2]	–40,000,000
House allowance	....
Committee recommendation	–40,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.
[2] Rescission request from funds appropriated in Public Law 99–473.

Rescission.—The President has requested and the Committee recommends a rescission of $40,000,000 from funds appropriated for Air Force procurement in the fiscal year 1985 Defense Appropriations Act. The recommended reduction provides needed expenditure offsets required by the Balanced Budget and Emergency Deficit Reduction Act of 1985 to allow for additional Philippine security assistance. These funds were previously cited as sources of funds for different purposes under section 8103 of the fiscal year 1986 Defense Appropriations Act.

Research, Development, Test and Evaluation

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$13,046,016,000
1986 supplemental estimate	
House allowance	
Committee recommendation	(316,886,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends $316,886,000 to initiate the expanded program for expendable launch vehicles discussed in the "Missile procurement" account to be derived from within available resources. No similar funding has been recommended by the House.

Complementary Expendable Launch Vehicle [CELV] Program.—The Defense Department's proposed supplemental request and 1987 budget amendment seek $232,500,000 and $185,800,000, respectively, for research and development activities. In addition, the Committee allowance for supplemental funding in this account also includes $28,000,000 for a special classified program and $56,386,000 for repairs to the Vandenberg Air Force Base Titan 34-D launch facility.

The Committee recommended supplemental RDT&E allowances for the expendable launch vehicle programs are:

PE 63410F Space sys envir inter tech	$200,000
PE 33603F Milstar comm sat system	16,000,000
PE 33110F Defense satellite comm sys	1,000,000
PE 34111F Special activities	199,686,000
PE 35165F NAVSTAR GPS (space/grd segment)	5,000,000
PE 35119F Space boosters	94,000,000
PE 35171F Space shuttle operations	1,000,000
RDT&E, Air Force 86/87	316,886,000

Source of funds.—The Committee allowance is $232,500,000, from funds available under section 8103 of Public Law 99-190, and $84,386,000 from the 1986 "Aircraft procurement, Navy" account. Additional funds for fiscal year 1987 are available under section 8103 as amended in this bill in accordance with the notification reprogramming procedures prescribed.

RDT&E, Defense Agencies.—The Committee has considered and does not recommend additional fiscal year 1986 funding for RDT&E, Defense Agencies as proposed in the Department's draft supplemental plan. The additional $100,000 should be provided within available funds.

Additional funds in fiscal year 1987 would be available under section 8103 as amended by this bill in accordance with the notification reprogramming procedures prescribed.

Revolving and Management Funds

ADP EQUIPMENT MANAGEMENT FUND

(INCLUDING RESCISSION)

1986 appropriation to date[1]	$100,000,000
1986 supplemental estimate	
1986 rescission estimate	
House allowance:	
Supplemental	
Rescission	
Committee recommendation:	
Supplemental	100,000,000
Rescission	–100,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $100,000,000. This is $100,000,000 more than the supplemental estimate and the House allowance. In addition, the Committee recommends a rescission of $100,000,000.

The Committee's recommended bill language provides availability of funds appropriated for the ADP Equipment Management Fund until expended. Congress created the ADP Equipment Management Fund last year to establish a process to more efficiently procure computer equipment by the Department of Defense and to buy out uneconomically leased equipment. The Department has not obligated any of the appropriated funds due to section 8109 of Public Law 99–190 which the Department has interpreted to require specific authorization before the Fund can be used. To alleviate this impasse, the Committee recommends repeal of section 8109 discussed elsewhere in the report.

Administrative Provisions

American Battle Monuments Commission.—The Committee recommends an amendment to transfer funds from the Department of Defense "Foreign currency fluctuation" account to cover exchange rate shortfalls for the American Battle Monuments Commission. The transfer offsets declines in currency exchange rates which jeopardize the Commission's ability to adequately maintain U.S. memorial shrines and military burial grounds located in foreign countries.

Working capital fund transfers.—The Committee recommends a provision to clarify working capital fund transfers provided for last year. Section 8051 of the Fiscal Year 1986 Defense Appropriations Act provided authority to transfer funds from Department of Defense stock and industrial funds to the various operation and maintenance appropriaton accounts. However, section 8051 omitted several accounts and contained transfer ceilings only for industrial funds. The recommended amendment provides appropriate transfer ceilings for both stock and industrial funds and for each operation and maintenance account. The amounts available for the "Operation and maintenance, Defense Agencies," appropriation applies to the Defense Logistics Agency for maintenance of its current level of logistics support to the military services and sustaining readiness.

University research projects.—The Committee proposes a modification to the House provision pertaining to university research projects. The House provision would require issuance of grants for research activities and construction of research-related facilities for two institutions, Northeastern University and the Rochester Institute of Technology. The Committee recommended amendment would extend application of the provision to projects previously directed by Congress which includes these universities.

The Defense Appropriations Act for Fiscal Year 1986 provided $65,600,000 for 10 separate university and research center projects, some of which require construction activities not normally funded in the "RDT&E" account. The recommended amendment makes $55,600,000 available as grants to the education institutions as instructed by Congress, and referenced in the appropriations conference report and preceding reports instead of revising the intent as proposed by the House. The amendment also incorporates legislative authority recommended by the House to proceed with construction activities for research facilities at these institutions. The provision does not affect $10,000,000 appropriated for acquisition and development of a parallel processing supercomputer system.

The Committee does not intend to consider or approve any future requests for specific universities or reseach institutions for projects that are noncompetitive and do not comply with legal requirements for merit reviews and competitive contracting. Nor is it the Committee's intention to consider or approve future requests to fund construction of related facilities for such projects. The Committee will not consider any future requests to earmark DOD research and development funds for specific research projects that have not gone through competitive, merit review processes without specific authorization.

CELV multiyear contract authority.—The Committee recommends new bill language to provide multiyear contract authority for the Complementary Expendable Launch Program. Last year Congress directed the Air Force to fully fund its CELV Program and encouraged a multiyear procurement strategy. Approval of multiyear authority will accelerate achievement of the expanded Titan 34–D7 program at the lowest cost.

The required multiyear justification materials and reprogramming request FY 86–6N to realign the available funds to support the economic order quantity purchases for the multiyear contract have been submitted. The Committee has approved that reprogramming request.

The administration planned to seek multiyear contract authority as a part of the supplemental request. Testimony before the Committee earlier this year supports a savings estimate of over $500,000,000 through multiyear contracting. Therefore, the Committee recommends bill language adding the Titan 34–D7 CELV Program to this list of programs provided multiyear authority under section 8037 of Public Law 99–190.

The Committee expects the Air Force to structure this multiyear contract to accommodate the additional CELV's provided for in this bill. This will preserve future contract options as the expansion occurs.

Center for Science and Engineering Technologies.—The Committee recommends $25,000,000 from within funds available to the Defense Department to establish a Center for Science and Engineering Technologies. The center will conduct research and development in the areas of emerging advanced technology including gallium arsenide crystals and other technologies critical to national defense. Arizona State University has already performed internationally acclaimed research in the production of the world's largest single gallium arsenide crystals. The establishment of the center to follow on these previous efforts will provide the Department of Defense a valuable and needed resource in this area critical to the national defense.

No funds for this project may be derived from R&D funds previously appropriated for university research initiatives.

Availability of unobligated balances.—The Committee recommends an amendment to section 8103 of the fiscal year 1986 Department of Defense Appropriations Act to redirect funds made available under this provision for the Complementary Expendable Launch Vehicle [CELV] Program. The CELV Program generically includes the Titan 34–D7, a medium expendable launcher and associated costs such as payload integration and adaptation. Recent events in the space program make it imperative that funding for the CELV Program be expedited to assure access to space as discussed earlier in this report.

The Congress provided $6,306,906,000 in section 8103 for military pay raise and retirement costs, coastal defense augmentation, the Mariner Fund, and readiness improvements. Anticipated retirement reform legislation, partial military pay raise absorption, and other factors have diminished the need for funds previously earmarked under section 8103. The amendment allows these funds to be used for additional purposes.

The Committee recommends fully funding the CELV Program through assets in section 8103. The funding needed for immediate acceleration of the CELV Program is $329,400,000 for procurement, and $232,500,000 for R&D for a total of $561,900,000. These funds shall be made available immediately upon enactment of this act without any further notification action. Funds for the Vandenberg AFB launch pad repairs and classified projects connected with the program are covered separately by transfer.

Additional funds required for CELV in fiscal year 1987, may be transferred from funds under section 8103 at a later date subject to the statutory notification action required by this section. To the extent possible, sources which expire at the end of fiscal year 1988 should be preserved to meet the program requirements for CELV.

The President has requested a rescission of $114,500,000 from sources of funds delineated in section 8103 to offset the cost of aid to the Philippines. The Balanced Budget and Emergency Deficit Reduction Act of 1985 (Public Law 99–177) requires such offsets when new spending is requested in supplemental appropriations bills. The rescission of $114,500,000, as reflected in the bill, impacts the procurement of weapons and tracked combat vehicles, shipbuilding and conversion, and Air Force other procurement sources.

Repeal of section 8109.—The Committee recommends bill language to repeal section 8109 of Public Law 99–190, the Defense Appropriations Act for fiscal year 1986. Last year Congress adopted this statutory language, originally proposed by the Senate, to establish a requirement for subsequent authorization of funds appropriated in fiscal year 1986 not previously covered by an authorization act. While the intent of the provision was to clarify congressional requirements for authorization, instead a variety of interpretations have emerged which further confuse the relationship of authorization to appropriations. Although a strict interpretation of section 8109 would hold that subsequent authorization is required for appropriation accounts or subdivisions which exceed previously established statutory limits, the Defense Department has withheld several billion dollars from obligation for dozens of programs contained in accounts which are well below authorized limits. In effect, the interpretations range from limited application at the enacted appropriation account level to extended coverage at the line item level of detail addressed in appropriation reports.

In the Committee's view, section 8109 has not accomplished the objectives intended, rather it has compounded problems with a budgetary process which has already become unwieldy. Legislation is currently pending in Congress which addresses the relationship of fiscal year 1986 appropriations to authorization requirements. There are expectations of favorable resolution to the seemingly endless debate on the matter of appropriations relative to authorization. As the resolution of the matter is not facilitated by the existence of section 8109, the provision should be repealed to permit consideration of other alternatives.

Extension of retirement accrual obligation deadline.—The Committee recommends bill language to extend from June 1, to August 15, 1986, the period during which obligations from the Department of Defense military personnel accounts may exceed the rates established in law for such accounts. In the absence of enactment of retirement reform legislation by the current June 1 deadline, DOD would be required to reduce military strengths in order to stay within obligation ceilings. The intent of this language is to provide the additional time necessary to complete action on military retirement reform legislation.

CHAPTER IV

SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT

The Committee recommendation provides no new budget authority for programs and activities under the Energy and Water Development Subcommittee eliminating $25,000,000 in program supplementals included by the House for which there was no budget request.

In addition, the Committee recommends disapproval of $23,156,000 of the $709,512,000 in deferrals proposed within the Department of Energy by the administration. This is the same as the House allowance.

A transfer of $3,000,000 is recommended for the Corps of Engineers, General Expenses appropriations to restore the 5-percent pay cut proposed in the fiscal year 1986 budget. This is the same as the House action and budget request.

The Committee does not concur with the House action transferring $62,000,000 from the Department of Defense to the Department of Energy for work related to nuclear directed energy applicable to the Strategic Defense Initiative.

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION, GENERAL

The Committee concurs with the House action which directs the Corps of Engineers to accomplish remedial works needed to prevent serious erosion problems and slope failure threatening the Highway No. 39 bridge near Gainesville, AL.

In action on the Energy and Water Appropriations Act, Public Law 99–141, the Congress included $8,200,000 for the Cooper River seismic modification project in South Carolina. The President signed that legislation on November 1, 1985. The Committee has now been made aware that the administration has directed the Corps of Engineers not to allocate or proceed with this project as intended by the Congress. Therefore, the Committee has included bill language directing the Secretary of the Army to begin construction of the Cooper River seismic project using Construction, General funds provided for that purpose in Public Law 99–141.

The Committee has also concurred with the House in using $1,400,000 of available funds for dewatering, site clearing, and access road work related to the sediment retention structure at Mount St. Helens in Washington.

FLOOD CONTROL AND COASTAL EMERGENCIES

1986 appropriation to date[1]	$23,925,000
1986 supplemental estimate	....
House allowance	25,000,000
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee does not recommend an additional appropriations of $25,000,000 for Flood Control and Coastal Emergencies included by the House.

The funds provided through the account are for advance preparation measures associated with flood emergencies, flood fighting and rescue operations, and repair and restoration of flood control works as authorized by Public Law 84-99.

The Committee is aware of recent flooding in various parts of the country and that additional flooding could occur before the end of the year. Based on the latest data provided by the Corps of Engineers, the current balance in the emergency fund is sufficient to meet the requirements identified at this time and will also allow for response to meet future requirements.

Unallocated funds are available for emergency activities, rehabilitation, and other work in California, the Great Lakes region, the Great Salt Lake, and other areas. If additional resources are needed, sufficient authority exits for the Secretary of the Army to use existing flood control appropriations until additional funding for emergencies can be provided.

The Committee is aware that the Corps of Engineers is continuously undertaking preventive, advanced measures work in areas threatened with flooding. Because of the importance of advance measure work in the local areas, the Committee wants to emphasize the need for the Corps to keep affected local and congressional interests informed about specific work under consideration. Therefore, the Committee asks that the Corps of Engineers make available to congressional interests data, updated monthly, outlining the sites currently under review for advanced measures projects, sites where advanced measure work is underway, and the amount spent at each project site upon completion.

GENERAL EXPENSES

(Transfer of funds)

1986 appropriation to date[1]	$102,399,000
1986 supplemental estimate[2]	(3,000,000)
House allowance[2]	(3,000,000)
Committee recommendation[2]	(3,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from Operation and Maintenance, General.

An additional appropriation of $3,000,000 is recommended for General Expenses of the Corps of Engineers. These funds are to be derived by transfer from the "Operation and Maintenance, General" account. This is the same amount provided by the House and requested by the administration.

The additional funds restore the 5-percent pay cut proposed in the fiscal year 1986 budget. The funds were not restored in the regular fiscal year 1986 Energy and Water Development bill because of the timing of congressional action and the proposed budget amendment.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(Disapproval of deferral)

1986 appropriation to date[1]	$1,696,063,000
1986 deferral	(−25,854,000)
House allowance	(−2,698,000)
Committee recommendation	(−2,698,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the disapproval of the administration's action to defer $23,156,000 in funds previously appropriated for energy research activities. These funds were included in the fiscal year 1986 appropriation bill to continue progress on a number of solar and renewable energy research activities. The proposed deferral would result in the loss of projects such as the MOD 5B wind turbine on which large Federal investments and private sector commitments have been made over the last 5 years. The Committee disagrees with the proposed cutoff of funds for these ongoing renewable energy technology activities at a time when many of the projects are near completion.

GENERAL PROVISIONS

The Committee includes language which would bar the sale or transfer of major assets of the Power Marketing Administrations and the Tennessee Valley Authority unless specifically authorized by Congress. This provision is similar to section 207 of the House-passed bill. In response to the proposals outlined in the fiscal year 1987 budget request, the Committee recommendation clearly reserves for Congress the decision on any sale of the power marketing agencies. The solicitation of proposals or the drafting of documents designed to transfer the assets of these agencies out of Federal ownership or control would be prohibited unless approved by Congress.

The provision also preserves for the Power Marketing Administrations and the Tennessee Valley Authority their ability to routinely dispose of surplus property or transfer facilities or functions under existing statutes.

CHAPTER V

SUBCOMMITTEE ON FOREIGN OPERATIONS

The Committee recommends a total of $22,739,000 in program supplementals for activities under the jurisdiction of the Subcommittee on Foreign Operations. This is a reduction of $202,101,000 from the administration's requested level and $27,261,000 less than provided by the House. These funds are provided from existing resources made available previously under the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99–190). In addition, the Committee is recommending bill language which would allow up to $21,700,000 in funds previously appropriated under title II of the Foreign Assistance and Related Programs Appropriations Act, 1986, to be reprogrammed for programs in Haiti. A similar provision was included in the House-passed legislation, but not requested by the administration. The Committee is not recommending approval of an administration request to deobligate FMS funds previously provided for the Philippines and to reobligate those funds as additional Military Assistance Program [MAP] funds for the same country. The Committee expects the administration, when it determines the eventual source of the funds provided under this chapter, to take special note of congressional earmarks and priorities to ensure that those earmarks and priorities are protected.

THE NEED FOR CONTINUED ENVIRONMENTAL REFORM OF THE MDB'S

The Committee is deeply concerned by the continued neglect by the Multilateral Development Banks [MDB's], particularly the World Bank, of the environmental implications and impacts of their activities. There are indications of good faith efforts in the Inter-American and African Development Banks to begin to address ecological concerns. The Committee's criticisms will not be addressed, however, until the environmental quality of projects and programs in these institutions is greatly improved. The Committee notes with extreme concern that the one area where the World Bank has chosen to devote more staff resources to environmental matters is in its public relations department (Information and Public Affairs). Such a reaction can only undermine support for the World Bank.

It is of particular concern to the Committee that the MDB's, particularly the World Bank, are continuing to approve and prepare loans for large-scale, environmentally and culturally disruptive projects fraught with great ecological and economic risk. The World Bank signed a loan agreement on December 5, 1985, for a project in Botswana known as

"Livestock III." After two previous unsuccessful livestock projects in Botswana, Livestock III is designed to substantially increase beef production in a country already suffering severe environmental degradation due to overgrazing. The Committee has been made aware of an extremely critical analysis of this project from the U.S. Embassy in Botswana dated September 1984. The Committee also understands that these views were reaffirmed as recently as 3 months before the project was approved. The Committee is deeply troubled by what appears to be yet another example of an environmentally unsound MDB project.

INTERNATIONAL FUND FOR NORTHERN IRELAND AND IRELAND

(TRANSFER OF FUNDS)

1986 appropriation to date	NA
1986 supplemental estimate	$20,000,000
House allowance	[1] (50,000,000)
Committee recommendation	(20,000,000)

[1] The House legislation provides for $50,000,000 to be taken from the Economic Support Fund, while the Senate language transfers the $20,000,000 recommendation from any funds made available by the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190).

The administration has requested a package of assistance for Northern Ireland and Ireland in response to the Anglo-Irish Agreement of November 15, 1985, an effort on the part of those parties at reconciliation and development.

The administration's request totals $250,000,000 over 5 years in economic aid, trade credits, and miscellaneous guarantees. The request for fiscal year 1986, in addition to the various authorities under guarantee programs such as the Housing Guaranty Program and the Overseas Private Investment Corporation, is for $20,000,000 in economic assistance.

The Committee, while supporting that request, does not support taking resources from those previously appropriated under the Economic Support Fund. The Economic Support Fund, after congressional reductions, earmarkings, and the Gramm-Rudman-Hollings sequestration, has resulted in some country programs being reduced by as much as 50 percent. Therefore, the Committee recommends that the resources for the International Fund for Northern Ireland and Ireland be taken from any of the funds appropriated under the Foreign Assistance Appropriations Act rather than from just one account.

The language recommended by the Committee also specifically requires authorization before the funds may be spent.

FOREIGN ASSISTANCE CONTINGENCIES

1986 appropriation to date	
1986 supplemental estimate	$50,000,000
House allowance	
Committee recommendation	

The administration's request for a $50,000,000 contingency fund is not recommended by the Committee because of budgetary considerations, and, more importantly, because of the Committee's longstanding view that such contingency funds by their nature are subject to abuse and lack necessary congressional oversight.

ANTITERRORISM ASSISTANCE PROGRAM

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$7,101,000
1986 supplemental estimate	4,840,000
House allowance	
Committee recommendation	(2,739,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The administration has requested this supplemental for antiterrorism assistance as part of its overall program, as recommended by the Inman Commission, to combat international terrorism. The events of recent weeks argue strongly for this supplemental, although due to an authorized ceiling of $9,840,000, the Committee is only able to recommend the appropriation of $2,739,000, which would bring the total amount available for this account in fiscal year 1986 up to the authorized amount.

These funds are to be transferred from any appropriations made available under the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99–190).

ASSISTANCE TO HAITI

The House has included bill language which has the effect of reprogramming for assistance to Haiti up to $21,700,000 of funds previously made available under the Economic Support Fund. Of that amount, the House language would provide $1,700,000 to the Inter-American Foundation for programs in Haiti. The administration has not requested this item and specifically opposes the transfer of funds to the Inter-American Foundation.

The Committee concurs with the intent of the House language. However, in line with the Committee report language on the International Fund for Northern Ireland and Ireland, because the Economic Support Fund has already been reduced substantially, the Committee would not support taking the funds solely from that account. In addition, while the Committee strongly supports and encourages Inter-American Foundation programs in Haiti, the House recommendtion would dramatically increase IAF funding for Haiti, making it one of IAF's largest programs with only 4½ months left in the fiscal year. Therefore, the Committee cannot support an earmarked additional program of $1,700,000.

Nonetheless, because the Committee supports the general thrust of the House language, the Committee proposes language which would provide up to $21,700,000 in additional assistance to Haiti as suggested by the House, but would draw funding from any of the accounts in title II (Bilateral Economic Assistance) of the Foreign Assistance and Related Programs Appropriations Act, 1986, and not just the Economic Support Fund. Furthermore, the Committee includes language which would allow, but not require, that up to $1,700,000 of this amount be transferred to the Inter-American Foundation.

The Committee has also included bill language, at the request of the administration, which would allow military assistance funds previously provided to Haiti to be utilized for regular Military Assistance Program [MAP] activities. Under current law, MAP assistance to Haiti is limited specifically to narcotics and immigration programs. With Duvalier's departure, these limitations are no longer necessary and the new government has requested some limited regular military assistance. The items being requested by the Government of Haiti include vehicles, communications equipment, medical equipment, and such individual equipment as uniforms and boots. The Committee also has included language which requires that before any funds are utilized pursuant to this provision, the Appropriations Committees of both Houses of Congress must be notified in accordance with established reprogramming procedures.

SPECIAL ASSISTANCE TO THE PHILIPPINES

ECONOMIC SUPPORT FUND

1986 appropriation to date	$3,540,642,000
1986 supplemental estimate	[1] 100,000,000
House allowance	
Committee recommendation	100,000,000

[1] An additional $20,000,000 was requested by the administration under this account for the International Fund for Northern Ireland and Ireland. The Committee has included that amount under a separate heading.

MILITARY ASSISTANCE

1986 appropriation to date	$748,374,000
1986 supplemental estimate	50,000,000
House allowance	
Committee recommendation	50,000,000

The administration has requested supplemental funding for assistance to the Republic of the Philippines. The amounts requested would provide $100,000,000 in economic assistance and $50,000,000 in military assistance. Additional complementary measures would be taken under existing authorities to alter the objectives of previously provided funding, thereby enlarging the amount of assistance to be made available to assist the new government of Corazon Aquino to implement its overall economic development plan.

The Committee has specifically decided not to recommend broader authorities to extend the availability of funds beyond the current fiscal year. Moreover, the Committee is not recommending that the Senate provide the Agency for International Development with the authority to shift funds from one appropriation account to another. We are not supporting these elements of the administration's requested package of assistance because information which the Committee requires in order to make an informed judgment on the appropriateness of the requested assistance has not been forthcoming from the Department of State or AID, notwithstanding the fact that this information was requested nearly a month ago, on April 23.

It should be clearly understood that the Committee might well have been prepared to make a recommendation in favor of the complete package requested if it were confident that such assistance, together with other measures proposed by the administration, represented a well-thought-out, cohesive response to the requirements of the government of Corazon Aquino. Unfortunately, in view of the paucity of information and justifications made available by the Department of State, we cannot now make that determination.

The Committee recognizes the need for additional funding in the Philippines. What we have sought are reasonable assurances that funding appropriated by the Congress will be put to its best use and will, in fact, be used to assist the new government to implement its overall economic development plan, with particular emphasis on supporting the government's policy reform and economic development strategies. In this regard, the Committee is mindful of other occasions when it recommended a generous response to requests for supplemental funding only to learn, at a later date, that funds were reprogrammed for other purposes. The example of urgent supplemental funding for assistance to Lebanon comes readily to mind.

It is not our intention to interpose obstacles to the provision of this assistance; it is our intention to fulfill our responsibility to inform the Senate and to maintain effective oversight. Consequently, the Committee recommends approval of only those elements of the proposed special assistance to the Philippines which have been justified. We recommend the appropriation of $100,000,000 in Economic Support Funds as budgetary support to address the critical fiscal crisis currently faced by the Aquino government. We would also allow Economic Support Funds obligated to the Philippines in both fiscal year 1985 and fiscal year 1986 to be used for budget support.

To maintain necessary congressional oversight and to ensure that these funds are used in support of the declared policy of the Secretary of State—namely, that they will be used to assist the new government to implement its overall economic development plan—the obligation of funds would be subject to the Committee's reprogramming notification requirements.

With respect to requested military assistance, we have received specific information. The Defense Security Assistance Agency has provided hard information on what equipment is to be provided. Therefore, we recommend the provision of the full amount requested—$50,000,000.

In addition, the Committee recommends approval of language requested by the administration which would deobligate previously appropriated FMS funds to the Philippines and reobligate and transfer those funds to this account. However, to give further assurance to those who might question the ability of the Committee to ensure that the funds are used as intended, the military assistance funds are also provided subject to the Committee's reprogramming notification requirement.

The Committee intends that all aid to the Philippines in the form of Economic Support Funds be used only in a manner consistent with solving its current economic problems. If, because of its balance-of-payments problems, the Philippines needs cash to pay debts already due, these funds may be used for that purpose. To the extent these funds are used to purchase equipment, materials, or commodities, these purchases will be in the United States.

EXPORT-IMPORT BANK OF THE UNITED STATES

The Committee is recommending bill language which extends the availability of direct loan authority provided in the Foreign Assistance and Related Programs Appropriations Act, 1986, through fiscal year 1987. While it was anticipated that the total amount of direct loan authority provided for fiscal year 1986 would be utilized, testimony before the Committee indicates the probability that some of this authority would instead be required into the next fiscal year.

GENERAL PROVISIONS

SEC. 210. The Committee recommends bill language under the General Provisions section as follows:

> None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this section shall not prohibit (1) activities designed to increase food security in developing countries where such activities will not have a significant impact on the export of agricultural commodities of the United States; or (2) research activities intended primarily to benefit American producers.

It is the intention of the Committee that this provision shall apply only to any programs and activities that are specifically intended to increase a country's exports where such programs and activities may lead to competition with U.S. exports.

CHAPTER VI

SUBCOMMITTEE ON HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

1986 appropriation to date[1]	$9,537,086,647
1986 rescission estimate	
House allowance	
Committee recommendation	−3,000,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends a rescission of $3,000,000,000. No funds were proposed to be rescinded under this authority by the administration and this item was not considered by the House.

The recently enacted Reconciliation Act of 1985 (Public Law 99–272) provides for the forgiveness of existing long-term debt of public housing development and improvement costs. These sums, formerly financed by tax-exempt notes and bonds, have been converted to direct Federal debt due to questions over the tax status of the prior issuances. Public Law 99–272 eliminated this direct Federal debt since the Federal Government is contractually obligated to pay for debt service, and in that sense continuation of such obligations constituted paper transactions with no programmatic purpose.

Forgiveness of this debt also frees substantial prior year budget authority involved in the contracts entered into by HUD with public housing authorities. The recommended rescission eliminates a portion of these funds which can be expected to be recaptured by the Department in the next few months.

SUBSIDIZED HOUSING PROGRAMS

RENT SUPPLEMENT PROGRAM

(RESCISSION)

1986 appropriation to date	
1986 rescission estimate	−$1,158,920,000
House allowance	
Committee recommendation	−1,158,920,000

The Committee recommends a rescission of $1,158,920,000. This is the same as the rescission request. The House did not consider this item.

These funds represent recaptured budget authority from rent supplement contracts which have been converted to section 8 program assistance.

RENTAL HOUSING ASSISTANCE

(RESCISSION)

1986 rescission to date	−$56,000,000
1986 rescission estimate	−283,584,000
House allowance	
Committee recommendation	−283,584,000

The Committee recommends a rescission of $283,584,000. This is the same as the rescission request. The House did not consider this item.

As with the recommended rescission for the rent supplement program, this rescission reflects recaptured sums from conversion to the section 8 program.

HOUSING PROGRAMS AND COMMUNITY PLANNING AND DEVELOPMENT

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(DISAPPROVAL OF DEFERRAL)

1986 appropriation to date[1]	$9,537,086,647
1986 deferral	(−2,300,805,000)
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee concurs with the House in recommending the disapproval of the administration's action to defer $2,300,805,000 in funds previously appropriated for the assisted housing program (D86–41). As with the other programs of the Department of Housing and Urban Development, for which deferral disapprovals are recommended, it is the Committee's view that funding priorities and allocations made in the fiscal year 1986 Appropriations Act, signed into law only months ago, should not be summarily ignored through the deferral process.

While in certain instances, unforeseen events or material changes in program circumstances justify substantial revision of previous budgetary decisions, such is not the case with these proposed deferrals. Furthermore, delays in funding availability, in and of themselves, cause program disruption and hardship, both for the administering entities and the beneficiaries of these important programs. The Committee urges prompt release of these funds to assure their efficient and effective use.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

(LIMITATION ON DIRECT LOANS)

(DISAPPROVAL OF DEFERRAL)

1986 limitation to date[1]	($603,899,000)
1986 deferral	(-530,220,000)
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the disapproval of the administration's action to defer $530,220,000 of the limitation on direct loans for the section 202 program (D86-45).

NONPROFIT SPONSOR ASSISTANCE

(LIMITATION ON DIRECT LOANS)

(DISAPPROVAL OF DEFERRAL)

1986 limitation to date[1]	($957,000)
1986 deferral	(-457,000)
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the disapproval of the administration's action to defer $457,000 of the direct loan limitation for nonprofit sponsor assistance (D86-46).

COMMUNITY DEVELOPMENT GRANTS

(DISAPPROVAL OF DEFERRAL)

1986 appropriation to date[1]	$2,990,434,000
1986 deferral	(-500,000,000)
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the disapproval of the administration's action to defer $500,000,000 in funds previously appropriated for the community development block grant program (D86-48).

REHABILITATION LOAN FUND

(LIMITATION ON DIRECT LOANS)

(DISAPPROVAL OF DEFERRAL)

1986 limitation to date[1]	($81,345,000)
1986 deferral	(-131,133,000)
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the disapproval of the administration's action to defer $131,133,000 of the direct loan limitation for the section 312 rehabilitation loan fund program (D86–50).

FEDERAL HOUSING ADMINISTRATION FUND

1986 limitation to date[1]	($74,420,000,000)
1986 supplemental estimate	(6,500,000,000)
House allowance	
Committee recommendation	(57,580,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177 and supplemental appropriation in Public Law 99–289.

The Committee recommends an additional increase in the Federal Housing Administration [FHA] loan guarantee limitation of $57,580,000,000. This is $51,080,000,000 more than was requested by the administration. The House did not consider this item. When added to the $17,000,000,000 supplemental enacted on May 2, 1986, (Public Law 99–289) and the postsequester limitation enacted in the regular appropriation act, the fiscal year 1986 limitation will total $132,000,000,000. This reflects the latest estimate of current home mortgage credit demand.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

1986 limitation to date[1]	($126,000,000,000)
1986 supplemental estimate	
House allowance	
Committee recommendation	(49,000,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177 and supplemental appropriation in Public Law 99–289.

The Committee recommends an increase in the loan guarantee commitment limitation for mortgaged-backed securities of the Government National Mortgage Association [GNMA] of $49,000,000,000. When added to the previously enacted limitation, as amended by the previous supplemental appropriation (Public Law 99–289), the resulting total limitation for fiscal year 1986 will total $175,000,000,000.

This total exceeds current estimates of actual fiscal year 1986 requirements. However, since conditional commitments issued during this fiscal year are, in part, available into the next fiscal year, it is the Committee's view that it is prudent to provide this additional authority to assure smooth functioning of this secondary market mechanism, and to avoid the necessity of disruptive allocation schemes in the current year.

The Committee reaffirms its intent and commitment to assure sufficient levels of authority to continue the smooth and efficient operations of this important secondary market mechanism. Not only does GNMA operations, in and of itself, yield a modest profit, but it is also an important component of the housing recovery. The Committee views the current budget request for GNMA loan guarantees for fiscal year 1987 as wholly inadequate and expects a significant increase in this regard.

Management and Administration

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$321,961,000
1986 supplemental estimate[3]	(10,100,000)
House allowance[2]	(23,701,000)
Committee recommendation[3]	(30,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] By transfer from the Federal Housing Administration fund ($15,066,000) and the rehabilitation loan fund ($8,635,000).

[3] By transfer from the Federal Housing Administration fund.

The Committee recommends a transfer from the Federal Housing Administration fund to the "Management and administration" account of $30,000,000, $19,900,000 more than the transfer in the administration's request. The House-passed bill would transfer $15,066,000 from the fund and an additional $8,635,000 from the revolving fund of the section 312, Rehabilitation Loan Program.

It is the Committee's view that the transfer of an additional $30,000,000 from the FHA fund is amply justified by the massive workload generated in the explosive demand for FHA loan guarantee activity. Utilization of this transfer should not be limited to prospective requirements of departmental administrative requirements for FHA, but should compensate for prior utilization of overall capability to meet FHA activity while other HUD programs were less active and demanding of administrative priority. The Committee does agree, however, that HUD must allocate sufficient resources to curb abuses of the FHA program identified in its recent Task Force Report. Aggressive action in implementing and enforcing program reforms are both overdue and very necessary.

The Committee views the transfer from the section 312 Rehabilitation Loan Program assets premature pending further congressional action on the future of this activity.

INDEPENDENT AGENCIES

American Battle Monuments Commission

SALARIES AND EXPENSES

1986 appropriation to date[1]	$10,367,506
1986 supplemental estimate	1,553,000
House allowance	1,553,000
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends deletion of the proposed appropriation of $1,553,000 for the American Battle Monuments Commission as requested by the administration. The supplemental funding is requested to offset the continued decline in value of the dollar to enable the Commission to adequately maintain U.S. memorial shrines and military burial grounds in foreign countries.

The Committee, however, has recommended that these additional requirements be addressed under a provision in the Defense chapter of this act. As a consequence, a direct appropriation of new funds is not necessary.

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$654,756,000
1986 supplemental estimate	....
House allowance[2]	(3,000,000)
Committee recommendation[2]	(3,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from research and development.

The Committee recommends concurrence with the House allowance of $3,000,000 for salaries and expenses proposed to be derived by transfer from research and development. No funds were requested for this purpose.

The Committee is concerned that the Environmental Protection Agency did not follow the guidelines established by the Committee for implementing the across-the-board cut required by Public Law 99–177.

In the report on the continuing resolution, the Committee defined the term "program, project, and activity" as the "most specific level of budgets items identified in * * * the conference report and accompanying joint explanatory statement of the managers * * *." It then went on to require that the Agency "* * * apply the percentage reduction required * * * to each program, project, and activity * * *." It further stated that in "implementing the Presidential order * * * (2) no reordering of funds or priorities occur."

The committee on conference added 285 work-years to the EPA budget. The Agency issued only 87 work-years. Thus the congressionally mandated activities received a 69-percent cut, while the programs in the President's budget received a 4.3-percent cut.

Further, in adding those work-years the Agency followed the Administrator's priorities for his 1987 submission. This course of action is not consistent with the Committee's direction that "no reordering of * * * priorities occur." For instance, although the Committee for several years has expressed its concern about the level of water quality enforcement and permit issurance, no additional work-years were issued for this activity.

While the Committee understands why the Agency has taken these actions, it does not believe that the Agency acted properly. When the Agency decided it would not issue the work-years added by the Congress, it should have consulted with the Committee at that time rather than 5 months into the fiscal year. The Committee would have then worked with the Agency to develop a method of distributing the work-years that would have reflected the Committee's priorities as well as the Administrator's concerns and management responsibilities.

The Committee states unequivocally that when it uses the term, "program, project, or activity," with regard to Public Law 99–177 or any future legislation requiring an across-the-board cut, it includes in that term congressional adjustments of the President's budget.

The Committee directs that $150,000 from available funds be used for engineering and design of the office, laboratory, test tank, and joint-use library facility at Newport, OR. The sum of $165,000 had earlier been identified for engineering and design of the project but was never obligated. An additional appropriation of $500,000 was made contingent on the completion of a favorable feasibility report which has now been published. The additional $150,000 is necessary because of updated information on cost estimates for the facility.

CONSTRUCTION GRANTS

(RELEASE OF BUDGET AUTHORITY)

1986 appropriation to date[1]	$2,374,200,000
1986 supplemental estimate	
House allowance	
Committee recommendation	(600,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends the release of an additional $600,000,000 of previously appropriated budget authority for the Construction Grants Program for assistance to States and localities for the construction of wastewater treatment facilities. These funds were originally appropriated in Public Law 99–190, the Continuing Resolution for Fiscal Year 1986, which contained a total of $2,400,000,000 for the program, of which only $600,000,000 was available upon enactment of that measure.

The initial $600,000,000 available was reduced by $25,800,000 by Public Law 99–177. The balance of the appropriation was held in a reserve pending release in a subsequent appropriation act.

FEDERAL EMERGENCY MANAGEMENT AGENCY

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

1986 appropriation to date[1]	$95,700,000
1986 supplemental estimate	250,000,000
House allowance	250,000,000
Committee recommendation	250,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $250,000,000. This is the same as the supplemental estimate and the House allowance.

The Congress provided an appropriation of $100,000,000 under Public Law 99–160 for the fiscal year 1986 funding of the disaster relief fund. This funding, together with unobligated balances carried over from 1985, was deemed adequate to have funded the average annual disaster relief need based on the last decade of experience, excluding the highest and lowest years. The large number of declared Presidential disasters in the first half of fiscal year 1986 has exceeded the anticipated demands for Federal Emergency Management Agency disaster assistance funds. On May 8, 1986, FEMA informed the Committee that no new public assistance obligations were being made and that the requirements for individual assistance exceeded the unobligated balance.

The supplemental appropriation of $250,000,000, together with unobligated balances, will meet the anticipated disaster relief needs for the remainder of the fiscal year.

The Committee is aware of major flooding in nine counties in South Dakota resulting from heavy spring rains and snow melt. In light of the additional funding provided by this act and the serious property damage associated with this flooding, the Committee encourages the agency to give proper consideration to providing public and individual assistance from the President's Disaster Relief Fund in order to prevent further damage and provide assistance for victims of this disaster. The Committee hopes that FEMA will continue to work closely with Committee members to mitigate the damage caused by the flooding situation in the nine counties.

FEDERAL EMERGENCY MANAGEMENT AGENCY

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$109,440,000
1986 supplemental estimate	
House allowance[2]	(2,920,000)
Committee recommendation[2]	(2,920,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from emergency management planning and assistance.

The Committee recommends concurrence with the House allowance of $2,920,000 for salaries and expenses proposed to be derived by transfer from emergency management planning and assistance. No funds were requested for this purpose.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

SPACE FLIGHT, CONTROL, AND DATA COMMUNICATIONS

1986 appropriation to date[1]	$3,258,239,000
1986 supplemental estimate	
House allowance	
Committee recommendation	526,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends a supplemental appropriation for space flight, control, and data communications of $526,000,000 to remain available until expended for costs associated with restoring to flight status the space shuttle transportation system and to maintain the production capability for a replacement orbiter.

Since the January 28 tragic failure of the launch of *Challenger* mission 51-L, the remaining three-orbiter fleet has been grounded, pending the report of the President's Commission and the completion of continuing efforts to identify not only the actual cause of that accident, but to implement changes to assure that such a disaster will not reoccur.

Intensive analysis has been ongoing within NASA to thoroughly reassess the flight readiness of the space transportation system. These reviews have thus far identified an estimated $626,000,000 of system design corrections and improvements, along with related investigation and engineering analysis costs. Moreover, the agency has estimated that nearly $150,000,000 in additional Federal Government costs will be incurred because of disruption in planned missions during fiscal year 1986.

While such additional costs will, in part, be offset by savings due to the deferral of recurring operational expenses avoided by the stand-down of the orbiter system, it is clear that simply restoring the program to flight status will involve significant additional investment. Such resumption of orbiter operations is imperative for not only national security requirements, but for the continuance of our Nation's space program.

The Committee recognizes that a decision to replace the lost orbiter, *Challenger*, entails a significant expenditure beyond the funding provided in this measure. While it appears that such a step is imperative and necessary, this decision must be reserved until the Commission on the *Challenger* accident has completed its deliberations, rendered its findings, and the Congress has had the opportunity to fully review the matter, including the potential for a substantial reappraisal and reform of preexisting NASA policies and practices.

It is the Committee's view, however, that the existing orbiter system must, as expeditiously as possible, be restored to service. This view is made all the more critical by the two consecutive failures of Titan 34D missions and the recent accident involving the Delta launch system. These mishaps leave the Nation with no existing capability to launch heavy payloads into orbit and give rise to an extremely untenable national security posture as well as a critical limitation on civilian commercial and scientific space capability.

The recommended appropriation will permit the necessary progress toward restoration of a three-shuttle orbiter program, and will enable the cost-effective and timely replacement of the *Challenger* when that decision is addressed by the Congress.

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$1,303,434,000
1986 supplemental estimate	....
House allowance[2]	(38,100,000)
Committee recommendation[2]	(38,100,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from research and development ($24,000,000) and space flight, control, and data communications ($14,100,000).

The Committee recommends concurrence with the House allowance of $38,100,000 for research and program management proposed to be derived by transfer from both the research and development and the space flight, control, and data communications accounts. No funds were requested for this purpose.

VETERANS' ADMINISTRATION

COMPENSATION AND PENSIONS

1986 appropriation to date[1]	$14,154,999,000
1986 supplemental estimate	272,000,000
House allowance	272,000,000
Committee recommendation	272,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $272,000,000. This is the same as the supplemental estimate and the House allowance.

The Committee makes this recommendation in order to permit the Veterans' Administration [VA] to meet its veterans compensation requirements for fiscal year 1986. No supplemental funds are required for the veterans pensions portion of this account.

READJUSTMENT BENEFITS

1986 appropriation to date[1]	$786,569,000
1986 supplemental estimate	91,000,000
House allowance	91,000,000
Committee recommendation	91,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $91,000,000. This is the same as the supplemental estimate and the House allowance.

The additional appropriation is needed to cover a projected shortfall in education training and adapted housing grants.

MEDICAL CARE

(TRANSFER OF FUNDS)

1986 appropriation to date[1][3]	$9,130,137,000
1986 supplemental estimate	....
House allowance[2]	(30,000,000)
Committee recommendation[2]	(30,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.
[2] By transfer from construction, major projects.
[3] Reflects a $8,000,000 transfer away from medical care under Public Law 99-190.

The Committee recommends concurrence with the House allowance of $30,000,000 proposed to be derived by transfer from construction, major projects. No funds were requested for this purpose in the President's budget request.

The Committee recommendation will grant the Administrator of Veterans Affairs discretionary authority to transfer up to $30,000,000 into the "Medical care" account from the "Construction, major" account. The House-passed provision mandated the transfer of the full amount.

The recommended Committee amendment will allow the VA to balance the requirement of meeting the patient workload identified in the budget justification with the Appropriations Committee suggestion of using 193,941 FTEE as a goal for fiscal year 1986 in the "Medical care" account. The Committee reiterates its previous directive that the funds be balanced between direct medical care personnel and medical supplies to meet the patient workload goals, not for the hiring of temporary ground or building maintenance staff to meet an arbitrary numerical FTEE goal.

The funds transferred are to be taken from funds in the advanced planning design fund or working reserve funds which are not committed to any existing project already funded or requested.

GENERAL OPERATING EXPENSES

(TRANSFER OF FUNDS)

1986 appropriation to date[1,3]	$712,835,340
1986 supplemental estimate	
House allowance[2]	(6,000,000)
Committee recommendation[2]	(6,000,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.
[2] By transfer from construction, minor projects.
[3] Reflects the $8,000,000 transfer under Public Law 99-190.

The Committee recommends concurrence with the House allowance of $6,000,000 proposed to be derived by transfer from construction, minor projects. No funds were requested for this purpose in the President's budget request.

The Committee recommendation will grant discretionary authority to the Administrator of Veterans Affairs to transfer up to $6,000,000 into the "General operating expenses" account from the "Construction, minor" account rather than mandating the transfer of the full amount as provided for in the House-passed measure.

One of the major problems in the "General operating expenses" account has been the gradual reduction in staffing at the same time as workloads in specific areas, such as the loan insurance and guaranty programs, have significantly increased. The Committee has addressed this issue with its recommended change in the VA administrative provisions of this bill in order to permit loan guaranty contract service costs to be charged to the loan guaranty revolving fund rather than GOE.

The Committee expects the Administrator of Veterans Affairs to closely monitor the effectiveness of charging of contract services to the fund to determine whether the transfer of further resources from the "Construction, minor" account into the "General operating expenses" account is required.

VETERANS JOB TRAINING

(TRANSFER OF FUNDS)

1986 appropriation to date	
1986 supplemental estimate	
House allowance[1]	($35,000,000)
Committee recommendation[1]	(35,000,000)

[1] By transfer from construction, minor projects.

The Committee recommends the transfer of $35,000,000 from construction, minor projects to provide supplemental funding for the Veterans Job Training Program.

The Committee believes that the most recent statistics on veterans employment and training requirements warrant the transfer of these additional funds into the Veterans Job Training Program. A recent study conducted by the Bureau of Labor Statistics, which was jointly sponsored by the Veterans Administration and the Veterans Employment and Training Service of the Department of Labor, indicates:

The unemployment rate for all veterans in April 1985 was 5.5 percent while service-connected disabled veterans who served in Vietnam had an unemployment rate of 9.2 percent.

Vietnam theater veterans with disabilities rated 30 to 50 percent had the highest unemployment rate, 16 percent.

Only one-third of those veterans from the Vietnam era with disabilities rated 60 percent or higher, were even in the work force.

Therefore, the Committee has provided supplemental funding for the Veterans Job Training Program to assure that adequate funds are available in fiscal year 1986 to address these requirements.

ADMINISTRATIVE PROVISIONS

The Committee recommends the inclusion of bill language that will permit the payment of loan guaranty services performed on a contractual basis to be charged to the loan guaranty revolving fund rather than the "General operating expenses" account.

The implementation of this recommendation will not increase fiscal year 1986 outlays since it is offset in the same account by increased revenues generated under the program.

The workload in the regional offices of the VA has significantly increased particularly in the appraisal and loan processing activities accompanying increased home purchase applications resulting from reduced VA mortgage interest rates. At the same time, default servicing and foreclosures workloads have continued to remain at a high level. The increased home loan applications have increased the loan guaranty revolving fund revenues because of the 1-percent loan origination fee.

The passage of Public Law 99–255 permitted an increase in the loan guaranty cap to $17,400,000,000. This will bring an estimated $45,000,000 in additional funding into the loan guaranty revolving fund in fiscal year 1986. The budget estimate of the amount of loan guaranty contractual services in fiscal year 1986 is $7,000,000. Almost 95 percent of the fiscal year 1986 loan guaranty contractual services is for appraisal of properties in default. The remaining funding would cover such contracted services as appraisal document reviews and credit report checks on buyers of properties in default.

The Committee recommends an additional administrative provision permitting the Neighborhood Reinvestment Corporation to utilize an additional $250,000 of its already enacted fiscal year 1986 appropriation for GSA long-distance telephone service expenses, instead of previously estimated personnel compensation and benefits expenses.

The Corporation has been billed by GSA for an additional $133,000 in fiscal year 1986 utilization of long-distance telephone services in addition to $150,000 in erroneously billed prior fiscal year expenses. The Corporation has identified $250,000 of its fiscal year 1986 appropriation which can be applied to these unanticipated nonsalary costs. The recommended provision will permit this use of previously appropriated funds. The Committee expects the Corporation to effect savings elsewhere in its operations to offset the balance of these recently identified expenses.

CHAPTER VII

SUBCOMMITTEE ON THE DEPARTMENT OF INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

LAND ACQUISITION

(RESCISSION)

1986 appropriation to date[1]	$2,188,000
1986 rescission request[2]	–3,000,000
House allowance:	
Rescission	
Deferral	(–3,000,000)
Committee recommendation:	
Rescission	–3,000,000
Deferral	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] Rescission request (R86–56) has expired, but is displayed for comparison purposes.

The Committee recommends a rescission of $3,000,000. This is the same as the budget estimate and a reduction of $3,000,000 from the House allowance.

U.S. FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

1986 appropriation to date[1]	$286,529,000
1986 supplemental estimate	
House allowance	90,000
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends no appropriation. This is the same as the supplemental estimate and $90,000 less than the House allowance.

The House allowance was to pay a local unit of government for contractor caused damages to local roads. The contract between the Service and the contractor contains the following clause:

> The contractor shall also be responsible for all damages to persons or property that occur as a result of the contractor's fault or negligence, and shall take proper safety and health precautions to protect the work, the workers, the public, and the property of others.

Based on this contract, the Committee recommends no funding be provided to the county.

In February 1986, the Fish and Wildlife Service issued a report describing severe contamination problems at 10 national wildlife refuges under its management, including the Great Swamp National Wildlife Refuge, which is tainted by an asbestos dump and two landfills. A January 1985 report had previously outlined actions by the Service which would be necessary to adequately address the problems at these and other contaminated refuges. The Committee is pleased to take note of the initial steps the Service has taken, and commends the Service on this action. The Committee urges the Service to continue and expand its efforts, and to move expeditiously to take the necessary remedial action. The Committee looks forward to working with the Service to ensure that the necessary resources are allocated for this action.

LAND ACQUISITION

1986 appropriation to date[1]	$38,688,000
1986 rescission request	−4,951,000
House allowance:	
Rescission	
Deferral	(−4,432,000)
Committee recommendation:	
Supplemental	2,373,000
Rescission	
Deferral	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $2,373,000, an increase of $2,373,000 over the budget estimate and the House allowance to enable the Service to complete acquisition of a 15,255-acre tract in the Atchafalaya National Wildlife Refuge. Funds provided in prior years were insufficient to meet the negotiated price.

The Committee recommends no rescission, instead of a rescission request of $4,951,000, as proposed in the budget estimate, and no deferral, instead of a deferral of $4,432,000, as proposed by the House. The Service has not been able to demonstrate that Tortuguero Lagoon in Puerto Rico will be adequately protected by the Commonwealth government. Further, the Service proposes to rescind funds at Bon Secour National Wildlife Refuge on the basis that enough sensitive habitat has been acquired to protect the Alabama beach mouse. In fact, about 7,500 acres (or more than 50 percent) of the land within the boundary of Bon Secour remains unacquired. There are 10 other threatened or endangered species on the refuge and the area is a staging area for international flights by migratory waterfowl.

National Park Service

OPERATION OF THE NATIONAL PARK SYSTEM

1986 appropriation to date[1]	$597,164,000
1986 supplemental estimate	13,470,000
House allowance	13,900,000
Committee recommendation	13,470,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriaton of $13,470,000, the same as the budget estimate and a decrease of $430,000 below the House allowance. Included in the recommendation is $3,200,000 to comply with court-ordered activities relating to mining activities in Alaska's parks, $770,000 to meet Park Police pension fund requirements, and $9,500,000 for firefighting expenses.

The Committee has no objection to the reprogramming of $1,500,000 from excess funds at Union Station and the Georgia O'Keefe National Historic Site to facilitate completion of the reconstruction of the Filene Center at Wolf Trap Farm Park for the Performing Arts, as provided in the 1986 appropriations bill.

CONSTRUCTION

1986 appropriation to date[1]	$108,558,000
1986 rescission request[2]	−13,613,000
House allowance	
Committee recommendation	3,420,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] The rescission request (R86-58) has expired but is displayed for comparison purposes.

The Committee has recommended an appropriation of $3,420,000 for emergency rehabilitation costs required to repair damages incurred as a result of severe flooding in late 1985 in Harpers Ferry National Historical Park and the C&O Canal.

HISTORIC PRESERVATION FUND

1986 appropriation to date[1]	$23,729,000
1986 rescission request[2]	−18,523,000
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] The rescission request (R86-60) has expired but is displayed for comparison purposes.

The Committee does not agree to a rescission of funds as proposed.

LAND AND WATER CONSERVATION FUND

(RESCISSION AND DEFERRAL)

1986 appropriation to date[1]	$93,604,000
1986 rescission request	−83,917,000
House allowance:	
Rescission	−28,710,000
Deferral	
Committee recommendation:	
Rescission	−28,710,000
Deferral[2]	(−1,893,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] Funds deferred until October 1, 1986.

The Committee recommends a rescission of $28,710,000 of annual contract authority, as proposed and as agreed to by the House.

The Committee also has no objection to the deferral of $1,893,000, as proposed.

ADMINISTRATIVE PROVISIONS

The Committee has included bill language requiring the National Park Service to secure approval of the Committees on Appropriations prior to draining any of the lakes in the Delaware Water Gap National Recreation Area.

A recent dam safety survey identified seven dams in the Delaware River Water Gap National Recreation Area as potentially hazardous owing to their poor condition. One of the lakes has already been drained and there is concern that further erosion of these valuable recreational resources will occur unless prompt remedial action is taken. The Committee directs the Park Service to begin preliminary planning and design for rehabilitation and stabilization of these dams. The Committee will consider the resources that may be required to carry out the rehabilitation and stabilization of these dams in the context of the fiscal year 1987 bill and therefore requests the Park Service to supply the information necessary to an informed judgment on how best to assure the continued viability of these lakes.

The Committee has also retained bill language included by the House prohibiting the planning for closure of the Seattle regional office.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

1986 appropriation to date[1]	$410,906,000
1986 supplemental estimate	
House allowance	
Committee recommendation	1,400,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommended an increase of $1,400,000 for the final National Petroleum Reserve in Alaska [NPRA] payments which are still due and payable.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

1986 appropriation to date[1]	$159,829,000
1986 supplemental estimate	
House allowance	800,000
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee has not included the $800,000 provided by the House for late interest payments.

Bill language is included in to allow the Secretary of the Interior to continue to pay for processing costs for geologic and geophysical data on existing permits. Under the terms of the fiscal year 1986 continuing resolution, the Secretary of the Interior was precluded from paying for processing costs after October 1, 1985. An internal Solicitor's opinion, however, concluded that permits issued prior to October 1, 1985, represented a contract and, under the terms of the permit, required the Secretary to pay for the processing costs. The Committee's language will allow the Secretary to pay for processing costs until existing permits are eliminated.

PAYMENTS TO STATES FROM RECEIPTS UNDER MINERAL LEASING

1986 appropriation to date[1]	$574,391,000
1986 supplemental estimate	800,000
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee has not included the $800,000 requested by the administration.

BUREAU OF MINES

The Committee is concerned that the Bureau of Mines is duplicating research already developed and patented by the private sector called radio imaging method [RIM]. The Committee cannot support a Federal agency if it is infringing on a legal patent. If the Bureau continues this research, the Committee directs the Bureau to cooperate with the private sector to obtain the appropriate consent for the use of patented or other proprietary information.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

(RESCISSION)

1986 appropriation to date[1]	$81,002,000
1986 rescission request	....
House allowance	−710,000
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee has recommended no rescission of funds in the Office of Surface Mining, as proposed by the House.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

1986 appropriation to date[1]	$853,500,000
1986 supplemental estimate	26,500,000
House allowance	31,368,000
Committee recommendation	26,500,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $26,500,000, the same as the budget estimate and a decrease of $4,868,000 below the House allowance. Of the funds provided, $25,000,000 is to repay the costs of fire suppression activities and $1,500,000 is for a treaty water fisheries management fund.

The Committee understands that the Bureau does not intend to enforce dormitory standards for the 1986–87 school year, thus the Flandreau Boarding School will not be subject to limitations on the number of students who may be enrolled. The Committee urges the Bureau to review the standards so as to make allowance for historical dropout rates and/or transfers prior to setting ceilings on allowable enrollments.

With respect to funds provided for contract support, the Committee directs that they be used solely for the purpose justified, which is the additional cost associated with new fiscal year 1986 contracts.

While the Committee does not recommend restoration of the 4.3-percent reduction assessed to the social service programs, the Committee notes that the Department has erred in assuming that the Indian Child Welfare Act grants can be administratively reduced by more than that percentage. In order to assure that funds for general assistance are available throughout the fiscal year, the Committee has included bill language to allow reductions in general assistance payments. The bill language does not require that the reductions be equally distributed, as current law reduces general assistance allowances in some States where actual payments are less than 100 percent of the established standard of need. In making reductions which may be required, the Bureau should look first toward limiting payments in areas which are not currently subject to reductions.

REVOLVING FUND FOR LOANS

The Committee has included bill language amending the continuing resolution by directing rather than permitting that a loan be made to the Zuni Pueblo for the purchase of private lands in the Zuni Heaven area and providing that the Federal Government may secure a lien in the amount of the principal and interest against any trust or other funds the tribe may receive including any net recovery from pending court cases.

TERRITORIAL AND INTERNATIONAL AFFAIRS

COMPACT OF FREE ASSOCIATION

1986 appropriation to date[1]	
1986 supplemental estimate	$178,750,000
House allowance	178,750,000
Committee recommendation	188,090,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $188,090,000 for the Compact of Free Association. Of this amount, $178,750,000 has been requested by the administration for funding of Public Law 99–239, the Compact for the Federated States of Micronesia and the Republic of the Marshall Islands. The remaining funds are for the Republic of Palau Compact which is currently being considered by Congress. These funds will be available for the Palau Compact, upon enactment of that legislation.

The remaining funding requirements necessary to fulfill the terms of these Compacts will be met with a reappropriation of funds ($62,947,000) from the "Trust territory" account and from a permanent indefinite appropriation which is provided for in bill language.

Of the funds proposed for reappropriation by the administration, $3,663,000 comes from a capital improvement account. The Committee does not feel that funds should be reappropriated from capital improvement accounts and should be restricted to operations accounts. Therefore, the Committee has adjusted the reappropriation and shifted these funds into the permanent indefinite appropriation.

Since there are over 70 separate projects worth over $100,000,000, the Committee feels it is important to maintain the continuity of staffing for the Federated States of Micronesia and the Republic of the Marshall Islands after the phasedown of the trust territory government. Therefore, the Committee is recommending that the Office of Territorial and International Affairs continue to employ staff from the trust territory government who have been working on these projects on a contract basis during the phasedown of the trust territory government.

Bill language is included to provide OTIA the authority to reimburse the Department of the Army for rental payments the Army made to the Republic of the Marshall Islands since October 1, 1985.

RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATE AND PRIVATE FORESTRY

1986 appropriation to date[1]	$55,160,000
1986 supplemental estimate	
House allowance	161,000
Committee recommendation	161,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $161,000, as proposed by the House. The Forest Service will be able to sustain its 1985 level of western spruce budworm activity in the Carson National Forest, NM.

NATIONAL FOREST SYSTEM

1986 appropriation to date[1]	$1,003,224,000
1986 supplemental estimate	165,700,000
House allowance	165,700,000
Committee recommendation	165,700,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $165,700,000, the same as the request and the House action. The appropriation will repay the Forest Service for firefighting expenses incurred in fiscal 1985.

CONSTRUCTION

1986 appropriation to date[1]	$212,954,000
1986 supplemental estimate	
House allowance	
Committee recommendation	1,700,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $1,700,000 for emergency rehabilitation costs incurred as a result of severe flooding on the Monongahela National Forest, Jefferson National Forest, the George Washington National Forest, and the Parsons Laboratory.

LAND ACQUISITION

1986 appropriation to date[1]	$26,920,000
1986 supplemental estimate	
House allowance	4,436,000
Committee recommendation	4,436,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $4,436,000, the same as the House allowance and an increase of $4,436,000 over the budget estimate.

This allowance restores funds transferred by the Secretary from land acquisition activities at Lake Tahoe to insect and disease suppression activities.

TIMBER SALVAGE SALES

(DISAPPROVAL OF DEFERRAL)

1986 appropriation to date[1]	($24,000,000)
1986 deferral	(−22,702,000)
House allowance	(−19,701,000)
Committee recommendation	(−19,549,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends overturning $3,153,000 of the funds proposed for deferral (D86–3) from the timber salvage sales fund, the same as the House. This will enable the Forest Service to sell additional salvage material, particularly material damaged by the mountain pine beetle in regions 1 and 4 and by the southern pine beetle in region 8. If these sales do not proceed, the salvage material will continue to deteriorate and the insect infestations are likely to continue to spread.

ADMINISTRATIVE PROVISIONS

The Committee has included bill language requiring that the Secretary of Agriculture secure the consent of the Committees on Appropriations prior to exercising transfer authority contained in 7 United States Code 147(b).

DEPARTMENT OF ENERGY

Fossil Energy Research and Development

(DISAPPROVAL OF DEFERRAL)

1986 appropriation to date[1]	$296,954,000
1986 supplemental request:	
Rescission	−13,072,000
Deferral	(−25,148,000)
House allowance:	
Rescission	
Deferral	(−2,607,000)
Committee recommendation:	
Rescission	
Deferral	(−2,607,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the deferral (D86–6A) of $2,607,000 of the administration's original proposal to defer $64,812,000 in funds previously appropriated for fossil energy research and development. After proposing this deferral, the administration continued to fund these programs in order to give Congress an opportunity to act. Therefore, a discrepancy exists between the administration's original proposal, House action, and Senate action. The Committee takes no action on the proposed rescission of $13,072,000 for the Waltz Mill fluidized bed gasifier ($3,801,000) and the 7.5 megawatt phosphoric acid fuel cell project ($9,271,000). In making this recommendation, the Committee expects the Department to fulfill the terms of the fiscal year 1986 continuing resolution and the direction contained in its accompanying reports.

The Committee approves the deferral of $2,607,000 of unobligated balances.

NAVAL PETROLEUM AND OIL SHALE RESERVES

(DEFERRAL)

1986 appropriation to date[1]	$13,002,000
1986 deferral	(−36,461,000)
House allowance	(−36,461,000)
Committee recommendation	(−36,461,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee approves the deferral (D86–8A) of $36,461,000 of funds for the naval petroleum and oil shale reserves. Without these funds, the NPR will still be producing at the maximum efficient rate, as required by law.

ENERGY CONSERVATION

(DEFERRAL)

1986 appropriation to date[1]	$427,512,000
1986 request:	
Rescission	−15,160,000
Deferral	(−21,462,000)
House allowance:	
Rescission	
Deferral	
Committee recommendation:	
Rescission	
Deferral	(−6,556,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee concurs with the House in recommending the disapproval of $14,906,000 of the administration's original proposal to defer $36,782,000 (D86–9A) in funds previously appropriated for energy conservation research and development. After proposing this deferral, the administration continued to fund these programs in order to give Congress an opportunity to act. Therefore, a discrepancy exists between the administration's original proposal, House action, and Senate action. The Committee takes no action on the proposed rescission request of $15,160,000 for the Stirling Engine Program ($5,344,000) and the Northwestern University facility ($9,816,000). In making this recommendation, the Committee expects the Department to fulfill the terms of the fiscal year 1986 continuing resolution and the direction contained in its accompanying reports.

The Committee agrees that $6,556,000 of unobligated balances is not needed and agrees with that portion of the deferral.

STRATEGIC PETROLEUM RESERVE

(DISAPPROVAL OF DEFERRAL)

1986 appropriation to date[1]	$107,533,000
1986 deferral	(−41,182,000)
House allowance	
Committee recommendation	

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[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee disapproves the administration's action to defer $41,182,000 in funds previously appropriated for the strategic petroleum reserve. Subsequent to House action on the deferral (D86–37), the administraton reduced the proposed deferral by releasing $156,759,000 for obligation. The Committee action overturns the remaining portion of the deferral.

STRATEGIC PETROLEUM RESERVE PETROLEUM ACCOUNT

(DEFERRAL)

1986 appropriation to date	
1986 supplemental estimate	(−$577,534,000)
House allowance	(−262,534,000)
Committee recommendation	

The Committee disapproves the administration's action to defer $577,534,000 (D86–10A) of funds previously appropriated for oil acquisition. This is an increase of $577,534,000 over the budget estimate and an increase of $262,534,000 above the House allowance.

Bill language is included establishing the minimum fill rate for the strategic petroleum reserve to be the fill rate established in the fiscal year 1987 budget resolution.

ALTERNATIVE FUELS PRODUCTION

1986 appropriation to date	
1986 supplemental estimate	$1,020,360,000
House allowance	
Committee recommendation	1,020,360,000

The Committee recommends $1,020,360,000 for alternative fuels production. These funds are required for the Department of Energy to repay notes issued to the Treasury to pay off the Federal Financing Bank debt on the Great Plains coal gasification project. This appropriation involves no outlay of funds.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

1986 appropriation to date[1]	$807,[illegible],000
1986 supplemental estimate	
1986 rescission request[2]	−24,262,000
House allowance:	
Supplemental	20,000,000
Rescission	
Committee recommendation:	
Supplemental	1,800,000
Rescission	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] The rescission request (R86-29) has expired but is displayed for comparison purposes.

The Committee recommends an appropriation of $1,800,000, an increase of $1,800,000 over the supplemental estimate and a decrease of $18,200,000 below the House allowance. The amount provided is for an additional 26 positions required by the opening of the new Kanakanak AK, hospital. As this is a contract facility, fiscal year 1986 costs and the full 12-month costs for fiscal year 1987 have been provided. Bill language has been included limiting obligations during the current fiscal year to no more than $270,000.

INDIAN HEALTH FACILITIES

(DEFERRAL)

1986 appropriation to date[1]	$46,198,000
1986 rescission request[2]	−38,642,000
House allowance	
Committee recommendation	(−13,745,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] The rescission request (R86-30) has expired but is displayed for comparison purposes.

The Committee recommends a new deferral of $13,745,000 of which $7,530,000 shall be from the amounts available for new and replacement hospitals and $6,215,000 shall be from outpatient care facilities.

SMITHSONIAN INSTITUTION

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$32,108,000
1986 supplemental estimate	
House allowance[2]	(136,000)
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from the "Repair, restoration, and renovation of buildings" account.

The Committee does not recommend a transfer of funds from the "Restoration and renovation" account to the "Salaries and expenses" account.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Humanities

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

1986 appropriation to date[1]	$1,903,000
1986 rescission request[2]	−1,903,000
House allowance	....
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] The rescission request (R86–76) has expired but is displayed for comparison purposes.

The Committee recommends no rescission, the same as the House allowance.

GENERAL PROVISIONS

Sec. 201. The Committee recommends retention of the provision proposed by the House relating to proof of Indian decendancy for the purposes of the Indian Education Act.

Sec. 202. The Committee recommends a general provision limiting to 4.3 percent the reductions made in certain programs pursuant to Public Law 99–177.

Sec. 203. The Committee recommends a general provision specifying that all moneys payable to States under various shared receipt programs (mineral leasing payments; National Forest System payments; grassland payments, et cetera) that were sequestered, but not canceled, pursuant to the President's March 1, 1986, order shall be invested in interest-bearing instruments until subsequent payments from these accounts become due. While the Committee does not agree that all of these programs were intended to be covered by the sequestration order, this recommendation will at least provide States the balances due plus interest.

CHAPTER VIII

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

The Committee recommends a total of $153,000,000 in new budget authority and recommends a transfer of $1,241,000. This is $127,000,000 more in new budget authority than the House allowance.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

1986 appropriation to date[1]	$1,448,221,000
1986 supplemental estimate	
House allowance	
Committee recommendation	2,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee has included $2,000,000 to continue the Pediatric Emergency Medical Service Demonstration Program which was authorized by Public Law 98-555. Funds are included in the supplemental bill since they had not been contained in the regular fiscal year 1986 bill, due to the lateness of the first year's funding. The Committee understands that 29 States applied for the first year's grant cycle and that only 4 were able to be funded. The Committee expects that priority will be given to proposals addressing the needs of the handicapped as well as minorities (including native Americans).

The Committee has included bill language which clarifies the intent of Congress as indicated in Public Law 99-178 and Public Law 99-190 which directed the Department of Health and Human Services to continue health planning agencies until their fiscal year 1986 moneys were expended.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

1986 appropriation to date[1]	$1,171,651,000
1986 supplemental estimate	
House allowance	6,000,000
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee has deleted the House floor amendment which provides $6,000,000 to the National Cancer Institute for grants for national cancer research and demonstration centers. The Committee recognizes that the sequestration required by the Balanced Budget and Emergency Deficit Control Act of 1985 has reduced funding for the majority of health and human service programs, including the National Cancer Institute. While the Committee is sympathetic to the action taken by the House to restore funds for the National Cancer Institute, the Committee does not believe such selected exceptions should be made to across-the-board reductions mandated by law.

OFFICE OF COMMUNITY SERVICES

COMMUNITY SERVICES BLOCK GRANT

1986 appropriation to date[1]	$354,377,000
1986 supplemental estimate	
House allowance	
Committee recommendation	5,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee has included $5,000,000 for the Office of Community Services for a one-time grant to the District of Columbia to repair and remodel the homeless shelter at 425 Second Street NW in the District of Columbia.

The Committee believes that the inclusion of these funds in an urgent supplemental is necessary in order that the facility renovations begin immediately and are completed prior to the onset of the cold weather season. The Committee understands that agreement has been reached regarding the facility's continued use of the building's heating system.

Bill language is also included to expedite the transfer of the homeless shelter property from the General Services Administration to the government of the District of Columbia.

CATASTROPHIC HEALTH INSURANCE

The Committee is aware that the Secretary of Health and Human Services has recently established a private sector task force to make policy recommendations regarding the issue of catastrophic health insurance. The Committee was pleased to learn of this development. However, the Committee is extremely disappointed that a formal representative of the nursing profession was not included among the membership of the panel. As the largest group of health practitioners involved in the acute care of our Nation and, especially in the long-term care of the elderly, the nursing profession is doubtless one of the most important groups involved in the provision of care to those affected by catastrophic illness. The Committee, therefore, strongly recommends that the Department of Health and Human Services immediately appoint a representative of the nursing profession to this important panel.

DEPARTMENT OF EDUCATION

IMPACT AID

1986 appropriation to date[1]	$662,722,000
1986 supplemental estimate	....
House allowance	20,000,000
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends no funding for the Disaster Assistance Program. This is $20,000,000 less than the House allowance. The administration has submitted no budget request for supplemental funds.

It is the Committee's understanding that the Secretary of Education has exercised the authority provided by statute to transfer funds from the "College housing loans" account to cover disaster assistance applications on hand as well as those anticipated for the remainder of the fiscal year.

The Committee also has deleted bill language included by the House relating to the redistribution of program funds by the Department of Education for the Impact Aid Program.

Although the Department initially advised that it would issue a NPRM (notice of proposed rulemaking) during the month of March 1986, to take effect in fiscal year 1986, it did not publish the proposal until May 14, 1986. Since impact aid is current-year funded, unlike most other education programs, the Committee notes these regulations would alter payments local educational agencies are relying upon to fund their educational programs for the 1985–86 school year.

Thus, the Committee has included in the bill language that prohibits the implementation of new regulations this late in the fiscal year and, particularly, this late in the school year.

The Committee has included in the bill language clarifying provisions in section 3(d)(2)(B) of Public Law 81–874. The section of the statute is intended to ensure adequate assistance for several of the most severely impacted local educational agencies in the Nation. The Committee notes that despite an amendment to the statute enacted in 1984, the Department continues to prorate payments to these districts. The bill language provides that there is to be no proration of payments to 3(d)(2)(B) eligible districts under section 3(a), or 3(b), or both, or under section 3(d)(2)(B).

The bill further provides that in the computation of maximum entitlement under section 3(d)(2)(B), the Department shall count each category "B" child as one child, without regard to any other provision in the law. Therefore, the Department is directed to calculate maximum entitlement based upon the actual number of children in average daily attendance at the schools of the local educational agency, as opposed to multiplying the PPC (per pupil cost) by the number of category "A" children together with a fraction of the number of category "B" children.

Additionally, in making any audit of payments to federally impacted local educational agencies the Department is directed to accept the manner of counting children attending kindergarten as long as it is in accordance with the manner of counting children established by the State in which the particular local educational agency is located.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

The Committee has included bill language to clarify the manner by which $9,000,000 appropriated for fiscal year 1986 for the Supported Employment Program should be utilized. This language would permit the use of funds for selected demonstration grants rather than being distributed to all States by formula. The Committee believes that this change will permit these funds to be used to achieve the maximum potential benefit to the greatest number of disabled people.

The language included by the Committee would enable the Rehabilitation Services Administration to make grants to public and nonprofit rehabilitation facilities, as defined in section 7(11), and designated State units and other public and private agencies and organizations to pay all or part of the costs of special projects and demonstrations which will provide supported employment. Supported employment would be considered to be paid work (20 hours per week or more) in a variety of integrated work settings for persons with severe disabilities irrespective of their actual or assumed vocational potential who require ongoing postemployment support services in order to be employed in a competitive, integrated work setting.

In addition, the Committee expects the Rehabilitation Services Administration to maintain training activities in the field of speech language pathology and audiology at the fiscal year 1985 level.

VOCATIONAL EDUCATION

The Committee notes that inequities will occur in the distribution of some fiscal 1986 vocational education funds because of the combined effect of three separate acts, including the new vocational education law. As a result of this legislative overlap, State allocations under title III of the Perkins Vocational Education Act could change dramatically unless remedial action is taken by the authorizing committees prior to the July 1 distribution date set forth under existing law. The Committee expects a legislative solution to be in place prior to July 1, 1986, and understands the authorizing committees are preparing to take early action. In the event Congress has not taken final action before the July 1 deadline, the Committee directs the Department of Education to give full consideration to the status of this legislative modification before making any fiscal 1986 State allocations.

STUDENT FINANCIAL ASSISTANCE

PELL GRANTS

1986 appropriation to date[1]	$3,432,262,000
1986 supplemental estimate	
House allowance	
Committee recommendation	146,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee has included a supplemental appropriation of $146,000,000 as a partial offset of the shortfall of funds under the Pell Grant Program for fiscal year 1986. The Committee's action will restore Pell grants to more than 100,000 students who otherwise would have had their awards eliminated by the administration's proposed reduction schedule in academic year 1986-87. This supplemental will also lessen the impact of reductions on other Pell grant recipients.

The Committee understands that the remaining shortfall in the program will be addressed through the statutory reduction schedule.

A significant portion of the Pell grant shortfall for fiscal year 1986 is the result of inaccurate estimates of program needs by the administration. The Committee expects that such estimates will be made with greater accuracy in the future.

RELATED AGENCIES

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

(TRANSFER OF FUNDS)

1986 appropriation to date[1]	$31,955,000
1986 supplemental estimate	
House allowance	
Committee recommendation[2]	(1,241,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.
[2] By transfer from capital outlay.

The Committee recommends an appropriation of $1,241,000 to be derived by transfer from the Soldiers' and Airmen's Home capital outlay fund. These additional resources are necessary to prevent the furlough of medical, maintenance, and administrative staff and the interruption of essential services at the Soldiers' and Airmen's Home.

DEPARTMENT OF LABOR

ADMINISTRATIVE PROVISION

The Committee has deleted House bill language which prohibits the closing of any Job Corps centers. The House language was added by a floor amendment on the same day the Labor Department announced plans to close six Job Corps centers by November 30, 1986. These plans would permit all Corpsmembers at affected centers to complete their training. Rather than accepting bill language guaranteeing the continued existence of all Job Corps centers regardless of efficiency and effectiveness, the Committee believes this issue should be kept open for discussion in conference with the House.

GENERAL PROVISIONS

MEDICARE CAPITAL COST MORATORIUM

The Committee has deleted House bill language (sec. 206) which extends the exclusion of reimbursement for hospitals' capital related costs from the medicare prospective payment system from October 1, 1986, to October 1, 1987. The House language was added by floor amendment. Although the Committee is sympathetic to the merits of the amendment, the Committee feels that this matter should be addressed by the authorizing committees.

TRUST TERRITORY OF THE PACIFIC ISLANDS

The Committee has included bill language (sec. 207) to restore funding to certain programs within the Trust Territory of the Pacific Islands that was inadvertently discontinued as the result of a provision in the regular fiscal 1986 Labor-HHS-Education appropriations legislation (sec. 514 of Public Law 99–178). It is the Committee's intention that all programs available to the Trust Territory of the Pacific Islands prior to enactment of Public Law 99–239 (the Compact of Free Association Act of 1985) shall continue to be available to these Micronesian governments (Federated States of Micronesia and the Marshall Islands) until the Compact Act is fully implemented and alternative funding is provided for these programs.

Once Public Law 99–239 is fully implemented, amounts appropriated by Public Law 99–178 for Federal financial assistance to the Trust Territory of the Pacific Islands shall be available only to the Republic of Palau, in amounts that such republic would have received had the compact not been implemented, except that agencies receiving funds under Public Law 99–178 shall continue those programs in the Marshall Islands and the Federated States of Micronesia which are identified for continuation under the terms of the Compact of Free Association Act (Public Law 99–239).

The Committee requests a report by July 15, 1986, for all of the agencies under the jurisdiction of the Labor-HHS-Education Appropriations Subcommittee enumerating which programs are expected to be incorporated into the block grant under the Interior Subcommittee and which programs are expected to be continued with Labor-HHS-Education funding.

SERVICE CONTRACT ACT

The Committee recommends bill language under title II, general provisions (sec. 208) which would amend section 7 of the Service Contract Act of 1965 by including aviation services performed entirely in the State of Alaska in the activities which are exempt from the provisions of the act.

CHAPTER IX

SUBCOMMITTEE ON LEGISLATIVE BRANCH

The Committee recommends appropriations of $22,062,000 in program supplementals for activities of the legislative branch. The recommended amount is $57,517,000 less than the supplemental estimate and $11,217,000 more than the House allowance. All recommended amounts are offset in conformance with the requirements of Public Law 99–177. In the tradition of comity between the two Houses, the House of Representatives did not consider $10,105,000 in supplemental estimates pertaining solely to the activities of the Senate.

SENATE

SALARIES, OFFICERS AND EMPLOYEES

1986 appropriation to date[1]	$163,143,000
1986 supplemental estimate	355,000
House allowance	....
Committee recommendation	500,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an additional appropriation of $500,000 for salaries of officers and employees of the Senate. This is $145,000 more than the supplemental estimate and $500,000 more than the House allowance.

The amount recommended would provide additional funding for U.S. Capitol Police personnel through the Office of the Sergeant at Arms and Doorkeeper of the Senate. These funds are recommended as an element of the congressional joint leadership proposal regarding improved security of the Capitol and the Senate and House Office Buildings. The amount provided will allow recruitment of additional personnel to fill existing vacancies and will avoid furloughs of current personnel. The amount recommended is offset in conformance with the requirements of Public Law 99–177 by the recommended rescission of funds previously appropriated for the restoration of the west front of the Capitol.

The Committee has denied the request of $243,000 for allowances of Senators from the States of Alabama and Florida. The Committee has recommended an administrative provision establishing new allowances for those Senators, but believes that sufficient funds are available to fund the increased allowances without an additional appropriation.

The Committee has also denied the requests of $32,000 for agency contributions and $80,000 for the secretaries of the majority and minority conferences.

CONTINGENT EXPENSES OF THE SENATE

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

1986 appropriation to date[1]	$51,824,000
1986 supplemental estimate	9,100,000
House allowance	....
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends no additional funding for the Office of the Sergeant at Arms and Doorkeeper of the Senate. This is $9,100,000 less than the supplemental estimate and the same as the House allowance.

The amount requested would provide funds for a PBX telecommunications switch and associated equipment. A contractor for this project was selected only recently, and any payment that may be made will occur late in the fiscal year. The Committee does not believe the additional funds are necessary at this time.

MISCELLANEOUS ITEMS

1986 appropriation to date[1]	$9,244,000
1986 supplemental estimate	650,000
House allowance	....
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends no additional funding for miscellaneous items. This is $650,000 less than the supplemental estimate. The amount requested would provide additional funds for the Senate Observer Group created by Senate Resolution 68, adopted February 28, 1985. While the Committee recognizes the need for additional funding for this purpose, other funding sources are available and a supplemental appropriation is not necessary at this time.

ADMINISTRATIVE PROVISIONS

The Committee recommends an administrative provision increasing the clerk-hire allowance for Senators from the States of Alabama and Florida due to increases in the population of those States. As noted above, the Committee has not agreed with the supplemental request of $243,000 for this purpose, since sufficient funds exist within the total amount of $163,143,000 available for the salaries of Senate offices and employees in fiscal year 1986.

The Committee also recommends a provision amending section 110 of Public Law 97-12 (2 U.S.C. 58b(a)) to allow the transfer of funds from Senators' official office expense allowances to their clerk-hire accounts. The recommended provision would also change the deadline for notification of such transfers, and transfers from clerk-hire to official office expense allowances, to January 15.

Finally, the Committee recommends a provision enabling the chairmen of the majority and the minority conferences to transfer funds from salaries to expenses. This provision is applicable only to fiscal year 1986, and is identical to authority granted for this same purpose in fiscal year 1985.

HOUSE OF REPRESENTATIVES

1986 appropriation to date[1]	$428,255,000
1986 supplemental estimate	16,509,000
House allowance	350,000
Committee recommendation	500,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an additional appropriation of $500,000 for the House of Representatives. This is $16,609,000 less than the supplemental estimate and $150,000 more than the House allowance.

The amount recommended would provide additional funding for the salaries of U.S. Capitol Police personnel through the Office of the Sergeant at Arms of the House of Representatives. These funds are recommended as an element of the congressional joint leadership proposal to improve security of the Capitol and the House and Senate Office Buildings. The amount provided will allow recruitment of additional personnel to fill existing vacancies and avoid furloughs of current personnel. The recommended amount is offset in conformance with the requirements of Public Law 99–177 by the rescission of funds previously appropriated for the restoration of the west front of the Capitol.

The Committee has denied the request for additional funds for the special and select committees of the House. The Committee takes this action without prejudice, and only in view of the extraordinary requirements of Public Law 99–177. The Committee will consult with the House during conference on this measure to identify an appropriate offset for the amount recommended by the House.

JOINT ITEMS

CONTINGENT EXPENSES OF THE HOUSE

JOINT COMMITTEE ON TAXATION

1986 appropriation to date[1]	$3,546,000
1986 supplemental estimate	950,000
House allowance	912,000
Committee recommendation	912,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an additional appropriation of $912,000 for the Joint Committee on Taxation. This is $38,000 less than the request and the same as the House allowance. Funds provided are to be used for purchase of computer time from the Department of the Treasury for large scale computer modeling work associated with continued consideration of the tax reform legislation. The Committee is recommending a rescission of $912,000 from the departmental offices account in the Department of the Treasury to offset the recommended supplemental appropriation.

OFFICIAL MAIL COSTS

1986 appropriation to date[1]	$95,700,000
1986 supplemental estimate	50,499,000
House allowance	
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends no additional funding for official mail costs. This is $50,499,000 less than the request and the same as the House allowance. The Committee notes that the Committee on Rules and Administration is considering a number of proposals to substantially curb rapidly escalating official mail costs and believes that a recommendation of additional funding should await disposition of those proposals.

CAPITOL POLICE

CAPITOL POLICE BOARD

1986 appropriation to date[1]	$104,000
1986 supplemental estimate	
House allowance	
Committee recommendation	13,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an additional appropriation of $13,000,000 for the Capitol Police Board. This is $13,000,000 more than the supplemental estimate and the House allowance.

The funds provided are for the implementation of a plan to improve the security of the Capitol and the Senate and House Office Buildings. An initial plan for security improvements has been proposed by the joint leadership of Congress, and has been the subject of hearings before committees of both Houses. That plan is in its preliminary stages, and a number of questions about final design and cost estimates remain. The Committee strongly supports necessary security improvements, however, especially the removal of all vehicles from the east plaza of the Capitol and the installation of hydraulic barriers to replace the heavy trucks that presently barricade Capitol driveways during evening hours.

Accordingly, the Committee is recommending funding to proceed with security improvements, but recommends that the funds not be made available for obligation until the appropriate committees of Congress have considered and approved a final plan.

The proposed plan of security improvements would require the procurement of additional equipment and the construction of new facilities, and additional personnel in the employ of both the House and Senate. The Committee recommends, therefore, that funds for security improvement be appropriated to the Capitol Police Board, which consists of the Sergeant at Arms and Doorkeeper of the Senate, the Sergeant at Arms of the House, and the Architect of the Capitol. The Committee further recommends a provision enabling the Capitol Police Board to transfer to the Architect of the Capitol funds necessary for equipment procurement and facilities construction, since it is the Architect who has statutory responsibility in these matters.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT—SALARIES

1986 appropriation to date[1]	$5,184,000
1986 supplemental estimate	
House allowance	
Committee recommendation	250,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an additional appropriation of $250,000 for salaries within the Office of the Architect of the Capitol. This is $250,000 more than the supplemental estimate and the House allowance.

The amount recommended will fund detailed design and cost estimates associated with the construction aspects of the congressional joint leadership proposal to improve security of the Capitol and the House and Senate Office Buildings.

CAPITOL BUILDINGS

1986 appropriation to date[1]	$10,516,000
1986 supplemental estimate	8,000,000
House allowance	8,000,000
Committee recommendation	8,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an additional appropriation of $8,000,000 for Capitol Buildings. This is the same as the supplemental estimate and the House allowance.

The funds provided will be used to replace 36 PCB transformers which pose a serious health hazard in the event of a PCB spill or fire. Regulations of the Environmental Protection Agency concerning PCB's require the replacement of these transformers, which is to be accomplished without regard to section 3709 of the Revised Statutes. Funds provided are to remain available until expended, and the Committee concurs with the House directive that a replacement and cost schedule should be provided to the Committees before work commences. The recommended amount is offset in conformance with Public Law 99-177 by the proposed rescission of funds previously appropriated for the restoration of the west front of the Capitol.

WEST CENTRAL FRONT OF THE CAPITOL

(Rescission)

Appropriation to date[1]	$49,000,000
1986 rescission request	
House allowance	
Committee recommendation	−2,683,000

[1] Appropriated in Public Law 98-63, the Supplemental Appropriations Act, 1983.

The Committee recommends the rescission of $2,683,000 in funds previously appropriated in Public Law 98-63 for the restoration of the west central front of the Capitol. This rescission is recommended to offset recommended additional appropriations for the "Capitol Power

Plant" and the "Capitol Buildings" accounts, as well as for the congressional joint leadership proposal to improve security of the Capitol and the House and Senate Office Buildings, in conformance with the requirements of Public Law 99–177.

CAPITOL GROUNDS

1986 appropriation to date[1]	$3,359,000
1986 supplemental estimate	7,675,000
House allowance	....
Committee recommendation	....

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends no additional appropriation for Capitol grounds. This is $7,765,000 less than the supplemental estimate and the same as the House allowance.

The Committee supports landscaping improvements for the east plaza of the Capitol, but has deferred a decision on this request pending action on a comprehensive security plan proposed by the joint leadership of the Congress.

CAPITOL POWER PLANT

1986 appropriation to date[1]	$22,485,000
1986 supplemental estimate	2,000,000
House allowance	1,583,000
Committee recommendation	1,583,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an additional appropriation of $1,583,000 for the Capitol Power Plant. This is $417,000 less than the request and the same as the House allowance. Funds provided are for purchased power supplied to the Capitol Power Plant by the local public utility company. The recommended amount is offset in conformance with the requirements of Public Law 99–177 by the rescission of funds previously appropriated for the restoration of the west front of the Capitol.

CHAPTER X

SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

The Committee recommends a total of $187,720,000 in program supplementals for activities of the Federal Aviation Administration and the Coast Guard. Of this amount, $72,220,000 is provided by transfer. The total is the same as the administration's request, and $47,220,000 more than the House recommendation.

COAST GUARD

OPERATING EXPENSES

1986 appropriation to date[1]	$1,572,039,000
1986 supplemental estimate[2]	(35,500,000)
House allowance	35,500,000
Committee recommendation	35,500,000
Public Law 98–557 authority	(10,400,000)

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

[2] By transfer from "Retired pay," "Research, development, test, and evaluation," and transit "Formula grants."

The Committee recommends an appropriation of $35,500,000. This amount will be augmented by use of current law transfer authority in the amount of $10,400,000, for a total supplemental of $45,900,000. This is the same as the amount requested and the House allowance.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

The Committee has reviewed the Coast Guard's February 25, 1986, capital spending plan. The coastal defense augmentation fund is addressed elsewhere in the bill. However, to clarify the fiscal year 1986 acquisition, construction, and improvements components within the sequestered level, the Committee provides the following new distribution:

	February 25 proposal	Senate distribution
Vessels	$61,836,000	$70,400,000
Aircraft	35,255,000	48,300,000
Command, control, and communications	7,241,000	7,400,000
Shore facilities	66,935,000	47,850,000
Navigation aids	17,439,000	16,000,000
Support	19,250,000	18,006,000
Appropriated, minus March 1 sequester	207,956,000	207,956,000

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

1986 appropriation to date[1]	$2,578,732,000
1986 supplemental estimate:	
New budget authority	6,755,000
By transfer[2]	(73,245,000)
House allowance:	
New budget authority	80,000,000
By transfer[3]	(5,000,000)
Committee recommendation	80,000,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

[2] By transfer from Amtrak and transit "Formula grants."

[3] By transfer from Coast Guard "Retired pay," "Research, development, test, and evaluation" and Office of the Secretary "Salaries and expenses."

The Committee recommends an appropriation of $80,000,000 for operations. This is the same as the budget request and $5,000,000 less than the House allowance. The Committee has deleted the House provision relating to transfer of funds from the Office of the Secretary.

The Committee provides the requested funding to prevent furloughs of Federal Aviation Administration [FAA] employees. The administration, in its budget request, and the Committee assume obligation of these urgently needed funds in fiscal year 1986.

AIR TRAFFIC

The Committee concurs with the House that an accelerated air traffic controller recruitment and training program is necessary to reach either the 14,806 work force level mandated by the conferees on the fiscal year 1986 continuing resolution, or the 14,480 work force assumed by the Secretary to be adequate. The March 31, 1986, air traffic control work force of 14,028 shows little improvement from the level on board at the time of the budget overview hearing. Furthermore, this level includes only 62 percent full performance level controllers. The Committee also questions FAA's partial implementation, and partial use of the $10,000,000 available for funding reemployed annuitants in accordance with this Committee's provision in the fiscal year 1985 supplemental, enacted August 15, 1985.

The Committee feels FAA has repeatedly failed to reach and sustain necessary air traffic control personnel levels. Not only could this situation compromise safety, but extraordinary delays can cost the industry, and, by extension, consumers, $1,500,000,000 annually. The Committee, therefore, has added a provision mandating by September 30, 1986, a minimum 14,480 work force.

The Committee concurs with the House instruction to the FAA to impose any necessary air traffic restrictions to maintain a proper margin of safety. The Committee is to receive monthly notifications for the rest of this fiscal year on air traffic controller work force levels, by position type, to oversee improvement in this area of serious and longstanding concern.

RESEARCH, ENGINEERING AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(TRANSFER OF FUNDS)

On May 14, 1986, the Committee received a request to transfer $72,220,000 from "Facilities and equipment" to "Research, engineering and development" for high-priority changes to the development of the Advanced Automation System component of the National Airspace System Plan. The bill includes the requested transfer.

GRANTS-IN-AID FOR AIRPORTS

The Committee directs that priority consideration be given to the Greater Pittsburgh International Airport for available discretionary airport improvement grants funds in fiscal year 1986.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

The House report language directs a study be conducted to identify and assess measures to improve the safety and operational characteristics of three extremely hazardous segments of the Capital Beltway. In addition to this study, the Committee directs that the Federal Highway Administration provide to the National Academy of Science's Transportation Review Board its study on the need and feasibility of building a new highway in the corridor extending from Washington, DC, southward into Charles County, MD. The study shall be reviewed by the Academy to assist the Committee in its assessment of the transportation needs of southern Maryland.

The Committee believes that a noncorrosive alternative to rock salt available at a reasonable cost would be of major benefit to the Highway System and to owners of automobiles and trucks. The Committee notes with interest the studies being conducted with calcium magnesium acetate coated on sand, and understands that solicitations have gone out for testing this compound using this year's appropriation. The Committee supports early and widespread testing of this product by the Federal Highway Administration.

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

The Committee has included bill language which authorizes the Secretary of Transportation to spend up to $5,000,000 of existing funds out of the Emergency Relief Fund of the Highway Trust Fund for certain activities in the State of Utah. These funds are to be expended for those preventative activities undertaken to protect Interstate 80 from further damage associated with the flood waters of the Great Salt Lake.

FEDERAL RAILROAD ADMINISTRATION

REDEEMABLE PREFERENCE SHARES

The Committee has included bill language which clarifies the Secretary of Transportation's authority to issue fund anticipation notes, and to expend proceeds from the sale of such notes, for the Redeemable Preference Share Program of the Federal Railroad Administration. The language is not an appropriation of new funds. Public Law 99–190, the Continuing Appropriations Act for Fiscal Year 1986 provided funds for this activity.

URBAN MASS TRANSPORTATION ADMINISTRATION

FORMULA GRANTS

The Committee has included bill language regarding the distribution of secton 9, formula grant funds to urbanized areas which became urbanized areas for the first time under the 1980 census. In Public Law 99–190, the Continuing Appropriations Act for Fiscal Year 1986, Congress provided funding for the Formula Grant Program and was silent regarding that amount related to operating assistance. Under current law these newly urbanized areas must limit their operating caps to not more than 40 percent of their section 9 formula apportionments.

Since the total section 9 funds were reduced 12.2 percent in the fiscal year 1986 continuing resolution and by an additional 4.3 percent by the Balanced Budget and Emergency Deficit Control Act of 1985, the 92 newly urbanized areas have had their operating caps reduced accordingly. All other urbanized areas have their operating caps frozen at a percentage of the fiscal year 1982 levels.

The Committee did not intend for these areas to bear a disproportionate share of the budget cuts in the Formula Grant Program. The Committee's language establishes parity in the treatment of all urbanized areas and does not increase the amount of section 9 formula funds.

RELATED AGENCY

PANAMA CANAL COMMISSION

OPERATING EXPENSES

1986 appropriation to date[1]	$383,072,000
1986 supplemental estimate	
House allowance	20,000,000
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee proposes deletion of the House allowance of $20,000,000 for the Panama Canal Commission. The House supplemental is intended to mitigate the anomalous effect of the Balanced Budget and Emergency Deficit Control Act of 1985, by which funds sequestered in excess of actual Commission receipts could result in an increased profit payment to the Republic of Panama. The Committee is sympathetic to this problem, but is not disposed to reduce other important transportation programs in order to correct this situation. There is no budget request submitted for this purpose.

CHAPTER XI

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

The Committee recommends a total of $375,081,000 in new budget authority for program supplementals and rescissions totaling $912,000 for activities of the Subcommittee on Treasury, Postal Service and General Government. This is an increase of $34,169,000 from the administration's request of $340,000,000 and is $113,000 more than the House recommendation.

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

1986 appropriation to date[1]	$50,975,000
1986 supplemental estimate	....
1986 rescission estimate	....
House allowance:	
Supplemental	....
Rescission	....
Committee recommendation:	
Supplemental	....
Rescission	−912,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends a rescission of $912,000 for the departmental offices. The rescission is being recommended to offset the supplemental appropriation to the Joint Committee on Taxation for use to purchase computer time from the Department for large scale computer modeling work associated with combined consideration of the tax reform legislation.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Committee included funding in the fiscal year 1986 Treasury, Postal Service and General Government appropriations bill to construct a wing of a new dormitory at the Center. Delays indicate that complete construction can not be finished before the end of the year. The Committee has included language making this funding available until expended.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

1986 appropriation to date[1]	$166,721,000
1986 supplemental estimate	
House allowance	
Committee recommendation	500,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of $500,000. This is $500,000 more than the supplemental estimate and the House allowance.

The Committee is deeply concerned over the low level of compliance with the Federal special occupation tax provisions under existing law. Estimates by the President's private sector survey on cost control (the Grace Commission) indicate that nearly 60 percent of the Nation's liquor retailers fail to pay the Federal special occupation tax, with an annual loss of revenue to the Treasury of up to $25,000,000.

The Treasury Department estimates that first year collections because of multiple year delinquency interest and penalty is $45,000,000 to $50,000,000 with subsequent annual collections in excess of $22,000,000.

The Committee strongly believes that the responsibility for determination, enforcement, and collection of tax liabilities must remain with the Department of the Treasury, and not the private sector. Furthermore, the Committee does not believe that any legislative proposal for improving retailers tax compliance in this regard should place the burden upon the liquor wholesale community to police its retail customers and clients. The Committee's supplemental appropriation of $500,000 will cover the start-up staffing costs to initiate a new special occupation tax compliance program at the BATF in fiscal year 1986.

The Bureau will develop a comprehensive file of all liquor retailers in the 50 States from customer lists provided on a one-time basis by all alcohol beverage wholesalers, to allow BATF to determine which of those retailers are not complying with the Federal occupational tax requirement and to enforce and collect the retailer tax from all such retailers. Specifically, the Bureau will establish a computer matching program for tracking the retailers who are and who are not in compliance with this tax provision, with the Internal Revenue Service providing nonreimbursable data processing support for this compliance program. The Committee believes that this new compliance program, utilizing the tremendous resources of IRS and the Department is an effective way to achieve tax compliance objectives without placing an inordinate burden on either the industry or the American taxpayers.

The Bureau should prepare the appropriate regulations to direct that all wholesalers provide their customer lists to the Bureau on a one-time basis, and thereafter report periodically to the Bureau any new customers, or any changes in ownership of retail accounts of which they are aware.

INTERNAL REVENUE SERVICE

The administration is requesting a supplemental appropriation for the Internal Revenue Service [IRS] totaling $340,000,000. The Committee has reviewed this estimate and recommends approval of the request.

PROCESSING TAX RETURNS

1986 appropriation to date[1]	$1,019,205,000
1986 supplemental estimate	194,564,000
House allowance	194,564,000
Committee recommendation	194,564,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $194,564,000. This is equal to the supplemental estimate and the House allowance.

The Internal Revenue Service has placed an all out effort to process tax returns on a timely basis during this tax season. In order to do this, however, the Service has strained its resources to the limit. This supplemental will enable the IRS to strengthen its quality of processing and prepare for next year's processing load. The supplemental will also allow the Service to clear up current inventories of unpostable accounts, adjustments, and taxpayer correspondence, plus reverse the decline in recall and retention of experienced seasonal employees.

EXAMINATIONS AND APPEALS

1986 appropriation to date[1]	$1,358,415,000
1986 supplemental estimate	68,706,000
House allowance	68,706,000
Committee recommendation	68,706,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $68,706,000. This is equal to the supplemental estimate and the House allowance.

This appropriation will be used to begin to hire additional revenue agents which is part of a major initiative planned by the IRS to add 7,500 new agents over the next 3 years. The hiring of the revenue agents will improve the quality of tax examinations by accelerating settlement of unresolved tax shelter cases.

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

1986 appropriation to date[1]	$1,018,559,000
1986 supplemental estimate	76,730,000
House allowance	76,730,000
Committee recommendation	76,730,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $76,730,000. This is equal to the supplemental estimate and the House allowance.

The balance of the funding provided in this account will enable the IRS to expand and improve service to taxpayers. It will allow the hiring of additional personnel to keep pace with the increasing demand of taxpayers for assistance and also cover costs of additional toll-free telephone circuitry and to acquire equipment to allow on-line tax adjustments for resolving difficulties in a shorter period of time.

IRS HIRING

The Committee notes that for the second time in 4 years, the Internal Revenue Service has spent millions of dollars and hired Federal workers without any appropriation approved by the Congress or the President and in advance of formal receipt of a deficiency apportionment from the Office of Management and Budget. The IRS has argued before the Committee that it needed to commit these funds and hire these Federal personnel in order to prepare for the 1985 tax filing season and could not wait for an appropriation. Despite this sense of urgency expressed by the agency, the Committee notes that it was not until March that the administration stated in writing to the Committee that the pending supplemental request for IRS was required. By March 18, when OMB finally approved a deficiency apportionment for the Service, the IRS had spent much of the supplemental request of $340,000,000 and had hired over 6,000 tax personnel—without any congressional approval; without any prior notification; and without thorough Committee hearings. The Committee finds these practices by IRS to be intolerable and directs the Secretary of the Treasury to take whatever steps are necessary to assure the Committee that such unauthorized activity does not take place in the future. The Committee also directs the Inspector General of the Department of the Treasury to monitor this matter in the future and to report concurrently to the Secretary and the Committee on any efforts by IRS to repeat these unauthorized activities.

VEHICLE LOG REGULATIONS

The Committee is concerned that temporary regulation section 1.274–5T and section 1.274–6T reimpose upon taxpayers vehicle recordkeeping requirements similar to those Congress intended to abolish when it enacted Public Law 99–44. It is the Committee's intent that the substantiation requirements of section 274(d) of the Internal Revenue Code of 1954 with respect to deductions for business use of a vehicle (other than a qualified nonpersonal use vehicle within the meaning of section 274(i) of such Code) shall be applied without regard to temporary regulation section 1.274–5T or section 1.274–6T. Rather section 274(d) shall be applied with full regard to the regulations in effect under that section as in effect before the enactment of the Tax Reform Act of 1984 for taxable years beginning after December 31, 1985.

TAX FILING EXTENSION FOR INSOLVENT FARMERS

The Budget Reconciliation Act of 1985 (Public Law 99–272) made an essential change in the Tax Code as to its effect on the alternative minimum tax liability of insolvent farmers. The change is applicable back to tax year 1982.

Unfortunately for many farm taxpayers, the normal 3-year statute of limitations for calendar year 1982 returns expired on April 15, 1986. Insolvent farmers seeking protection under the new law with respect to calendar year 1982 were required, therefore, to file an amended 1982 return on or before April 15, 1986, a mere 8 days after the tax changes were signed into law.

Notification was not given to taxpayers until 1 or 2 days before the filing deadline. The Committee believes that the delay in passing the Reconciliation Act should not preclude farmers from filing amended returns and has included a provision to allow filing of amended returns for the affected taxpayers until 6 months from enactment of this legislation.

REVIEW OF EMPLOYER USE AIRCRAFT REGULATIONS

The Committee has noted the Internal Revenue Service's proposed rulemaking on temporary regulations concerning nonbusiness flights on employer provided aircraft has been published. The Committee is concerned about the complexities and administrative burdens these regulations will impose on employers where the expected return in increased revenues will be so small that the administration of the new rules may be impractical. The Committee directs the IRS to review these proposed rules in light of the administrative burden they may impose.

U.S. Customs Service

SALARIES AND EXPENSES

1986 appropriation to date[1]	$686,169,000
1986 supplemental estimate	....
House allowance	30,831,000
Committee recommendation	30,831,000

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99–177.

The Committee recommends an appropriation of $30,831,000. This is $30,831,000 more than the supplemental estimate and the same as the House allowance.

The Committee agrees with the House that the positions the Customs Service has been unable to fill because of the sequester will adversely impact the Service's ability to continue its drug interdiction effort. By providing this level of funding, Customs will be able to hire personnel to strengthen its interdiction, processing, and duty collection obligations.

COLLECTIONS FOR THE COMMONWEALTH OF PUERTO RICO

The Committee is concerned about the sequestration of Internal Revenue collections for the Commonwealth of Puerto Rico under the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177). The two affected accounts (20–5737–0–2–852) and (20–9922–0–2–852) were created to compensate Puerto Rico for a serious economic limitation imposed upon it when it was annexed to the United States in 1898; that is, its inability to impose and collect customs duties on foreign imports. To remedy this situation Congress enacted the cover-over provision which requires that all funds collected from excise taxes be returned to the Treasury of Puerto Rico. In the case of customs duties, after U.S. Customs Service administrative costs are deducted, all remaining funds are required to be covered over to Puerto Rico.

Because this fiscal arrangement is an integral part of the political relationship between the United States and Puerto Rico and has been consistently honored since 1917; and because the original cover-over provisions were not created for Federal revenue purposes, the Committee believes that this inequity should be reviewed by the appropriate authorizing committee for clarification.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

1986 appropriation to date[1]	$71,775,000
1986 supplemental estimate	
House allowance	3,225,000
Committee recommendation	

[1] Reflects the March 1, 1986, sequester of funds under Public Law 99-177.

The Committee recommends an appropriation of zero. This is the same as the supplemental estimate and $3,225,000 less than the House allowance.

U.S. POSTAL SERVICE

The Committee has included language naming the U.S. post office building which is to be constructed in Barnwell, SC, the Solomon Blatt, Sr., Post Office Building after the late Hon. Solomon Blatt, Sr. Mr. Blatt served in the South Carolina Legislature for more than 50 years, and when he recently passed away at age 91, he was the Nation's oldest legislator. Mr. Blatt was speaker of the South Carolina House of Representatives longer than anyone.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(LIMITATION ON AVAILABILITY OF REVENUE)

CONSTRUCTION AND ACQUISITION OF FACILITIES

1986 appropriation to date	($243,419,000)
1986 supplemental estimate	
House allowance	
Committee recommendation	3,500,000

The Committee recommends an appropriation to the Federal buildings fund of $3,500,000. This is the same as the supplemental estimate and the House allowance.

The Committee has inserted a provision increasing the limit on the cost of the Charleston, SC, post office and courthouse annex project to $8,900,000. This project was approved in Public Law 97-92 on December 15, 1981, at a cost of $5,400,000, which was identical to the amount in the General Services Administration [GSA] prospectus of January 23, 1981.

The initial plans for the annex met with overwhelming opposition in Charleston and led to several years of delay while the General Services Administration worked with city officials and historic preservation interests to gain an acceptable design.

In late 1985, GSA's Atlanta office was finally able to put the project out for construction bids. Four bids were received, ranging from $11,300,000 to $15,900,000. GSA, through negotiations with the four bidders was able to get the lowest bid down to $8,900,000, with the increase over the original estimate due chiefly to the granite requirement and to inflation during the interim.

GSA is now ready to proceed with this urgently needed project but cannot enter into a contract until the limit is modified. Further delay will do nothing but add to the cost. Accordingly, the Committee recommends an amendment to make the necessary modification to limitation on this project.

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

The Committee is recommending that the ceiling for transportation audit contract administration be increased to $7,600,000 for fiscal year 1986.

The Supplemental Appropriations Act, 1985 provided that expenses of transportation audit contracts and contract administration shall be financed from overcharges collected from carriers on transportation bills paid by the Government and other similar type refunds at not to exceed $5,200,000 annually. This proviso is effective through September 30, 1989.

The $5,200,000 ceiling would allow the contractors to identify approximately $17,000,000 in overpayments. However, this program has become so successful that it is now estimated that $23,000,000 in overcharges could be identified by the contractors in fiscal year 1986. This would require an increase of $2,400,000 in the ceiling. This is a significant revenue producing program with contractors being paid only an average of 30 cents for each $1 identified and collected as compared to the industry standard of 50 cents for each $1. The Committee feels this is a step in the right direction to encourage collections of overpayments.

FEDERAL ELECTION COMMISSION

PUBLIC DISCLOSURE

The Committee is deeply concerned about the Commission's plans to reduce the amount of information and campaign contributions the Committee makes available to the public. While recognizing that the Commission faces an extremely tight budget, the Committee also believes that public disclosure of campaign financing data is one of the fundamental missions of the Commission. Therefore, the Committee directs the Commission to examine and exhaust all other money-saving options short of a reduction in force before reducing its programs to provide information on campaign financing to the public.

Federal Retirement Thrift Investment Board

SALARIES AND EXPENSES

1986 appropriation to date	
1986 supplemental estimate	
House allowance	
Committee recommendation	$250,000

The Committee recommends an appropriation of $250,000. This is $250,000 more than the supplemental request and the House allowance.

The Congress will soon complete work on the establishment of a new Federal retirement program. The effective date of the program is January 1, 1987. However, one part of the plan is effective upon date of enactment, that is, the establishment of a new Federal entity, the Federal Retirement Thrift Investment Board. This Board will manage the thrift plan accounts and investments of employees.

Except for the first 2 years, the Board's expenses will be covered by investment returns. However, the legislation authorizes appropriations for the Board's first 2 years. The Board will need some fiscal year 1986 funds to start up to be ready for the new retirement plan. Without it the Board will not be ready for the new year.

Office of Personnel Management

SALARIES AND EXPENSES

The Committee has included a limitation of $2,500 for the Office of Personnel Management [OPM] official reception and representation funds. This limitation was not provided for in the fiscal year 1986 Treasury, Postal Service and General Government appropriations bill because authorizing legislation had not been passed. Authorization has subsequently been enacted in Public Law 99-251, the Federal Employees Benefits Improvement Act of 1986. The authorization limitation will allow the OPM to carry out responsibilities for programs honoring veterans and handicapped employees and provides information on personnel matters to the public, private industry, State and local officials, and foreign nations.

COMBINED FEDERAL CAMPAIGN

The Committee has concurred with a provision (section 205) included in the House-passed measure which prevents the combined Federal campaign from operating under the recently published rules for the 1986 combined Federal campaign. This provision means that the campaign will be run under the same format as it was during the 1984 and 1985 campaigns.

TITLE II—GENERAL PROVISIONS

The Committee recommends an additional general provision pertaining to the application of a New York statute to Federal contracts with the city.

Last year, the city of New York passed a local antiapartheid statute, local law 19, whose terms and conditions are now a part of all city contracts. Consistent with the Federal policy expressed in the President's executive orders regarding South Africa, this law expresses the city's abhorence of apartheid. It requires all city contractors to agree not to do business with the agencies that enforce apartheid in South Africa, and not to supply the city with goods originating in South Africa.

The Department of Transportation is withholding Federal highway aid from New York City because the Department believes that local law 19 interferes with the competitive bidding process. New York City's law provides that if a bidder does not comply with the antiapartheid rules, the bid of the next lowest complying bidder (if it is within 5 percent of the lowest bidder) may be accepted. In such instances, the board of estimate would determine whether it is in the public interest to award the contract to other than the lowest bidder.

This issue has been referred to the Justice Department by DOT to determine whether Federal funding for other city contracts should be similarly withheld by the Federal Government. While this matter is pending at Justice, the Committee believes that the city of New York should continue to receive Federal funds allocated to it for city projects. The Committee believes that the incorporation of provisions required by local law 19 into federally funded contracts entered into by the city should not hinder New York City's ability to receive Federal funds for the remainder of this fiscal year.

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COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

The following items are identified pursuant to this requirement.

In title I, chapter II, the Committee recommends the following appropriations which lack authorization:

$2,600,000 for salaries and expenses, U.S. Marshals Service;

$3,000,000 for support of U.S. prisoners;

$3,000,000 for Immigration and Naturalization Service, salaries and expenses;

$10,000,000 for the Federal Bureau of Investigation, salaries and expenses;

$10,822,000 for operations, research, and facilities, National Oceanic and Atmospheric Administration;

$18,000,000 for the Federal Prison System, salaries and expenses;

$288,047,000 for the Department of State, administration of foreign affairs, salaries and expenses; and

$382,647,000 for the Department of State, administration of affairs, acquisition and maintenance of buildings abroad.

In title I, chapter III, the Committee recommends the following appropriations which lack authorization:

$345,400,000 for the Complementary Expendable Launch Vehicle Program in missile procurement, Air Force, derived by transfer; and

$316,886,000 for the Complementary Expendable Launch Vehicle Program in research, development, test and evaluation, Air Force, derived by transfer.

In title I, chapter V, the Committee recommends appropriations for the International Fund for Northern Ireland and Ireland not authorized. In addition, the Committee recommends funds for the Economic Support Fund and Military Assistance Program, which while within the total authorized levels for these accounts, exceed specific program limitations for the Philippines by approximately $100,000,000 in Economic Support Funds and $50,000,000 in Military Assistance.

In title I, chapter VI, $526,000,000, appropriated for National Aeronautics and Space Administration, space flight, control and data communications is not authorized.

In title I, chapter VII, the Committee recommends language under territorial and international affairs to fund the Palau compact not authorized.

In title I, chapter VIII, the Committee recommends an appropriation $9,000,000 above the level authorized for special demonstration projects for the severely disabled under section 311 of the Rehabilitation Act of 1973.

In title I, chapter XI, the Committee recommends $250,000 for the Federal Retirement Thrift Investment Board not yet authorized.

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of Rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

Public Law 99-180, 99 Stat. 1143, is amended as follows:

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

> For expenses necessary for detection, investigation, and prosecution of crimes against the United States; including purchase for policy-type use of not to exceed one thousand six hundred forty passenger motor vehicles of which one thousand four hundred fifty will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; $1,209,000,000, of which not to exceed $25,000,000 for automated data processing and telecommunications and $1,000,000 for undercover operations shall remain available until September 30, 1987; of which $3,000,000 for research related to inves-

tigative activities shall remain available until expended; and of which not to exceed $500,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to terrorism: *Provided*, That notwithstanding the provisions title 31 U.S.C. 3302, the Director of the Federal Bureau of Investigation may establish and collect fees to process fingerprint identification records for noncriminal employment and licensing purposes, and credit not more than [$13,500,000] *$14,500,000* of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services.

Public Law 99–272:

SEC. 18006. TERMINATION OF AUTHORITY TO MAKE CERTAIN DISASTER ASSISTANCE LOANS.

(a) IN GENERAL.—The Small Business Act is amended—

(1) in section (7)(b)—

(A) by striking out "The" after "(b)" and inserting in lieu thereof "Except as to agricultural enterprises as defined in section 18(b)(1) of this Act, the,";

(B) by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period; and

(C) by striking out paragraphs (3) and (4);

(2) in section 7(c)(4) by striking out the last, undesignated paragraph; and

(3) in section 18(a) by striking out all that follows "Federal Government," through "Consolidated Farm and Rural Development Act".

(b) PIPELINE LOANS OR PREVIOUS DISASTERS.—Notwithstanding the amendments made by this section, sections 18002 and 18016, or any other provision of law, the Small Business Administration shall continue to accept, process, and approve loan applications under paragraphs (1) through (4) of subsection 7(b) of the Small Business Act and shall obligate and disburse loan funds [on account of disasters declared before October 1, 1985, even if any such application is filed after the date of the enactment of this Act] *which occurred prior to October 1, 1985, and with respect to which a disaster declaration application was submitted prior to October 1, 1985.*

Public Law 99–180, 99 Stat. 1167, is amended as follows:

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the United States Information Agency, as authorized by Reorganization Plan No. 2 of 1977, the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2451 et seq.), and the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1431 et seq.), to carry out international communication, educational and cultural activities, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed $270,000, of which $250,000 is to facilitate United States participation in international expositions abroad); expenses authorized by the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.), living quarters as authorized by 5 U.S.C. 5912, and allowances as authorized by 5 U.S.C. 5921–5928; and entertainment, including official receptions, within the United States, not to exceed $20,000; $571,000,000, none of which shall be restricted from use for the purposes appropriated herein: *Provided,* That not to exceed $800,000 may be used for representation abroad: *Provided further,* That not to exceed $5,704,000 of the amounts allocated by the United States Information Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2452(a)(3)), shall remain available until expended: *Provided further,* That receipts not to exceed [$500,000] *$625,000* may be credited to this appropriation from fees or other payments received from or in connection with English-teaching programs as authorized by section 810 of Public Law 80–402, as amended.

Public Law 99–190, 99 Stat. 1189, is amended as follows:

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $1,612,050,000, of which not less than [$238,000,000] *$223,200,000* shall be available only for the maintenance of real property facilities.

Public Law 99–190, 99 Stat. 1197–98, is amended as follows:

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $23,255,424,000, to remain available for obligation until September 30, 1988, of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law: *Provided*, That of the amounts appropriated not to exceed $280,000,000 shall be available for competitive procurement of Air Force One mission replacement aircraft: *Provided further*, That none of the funds in this Act may be obligated on B–1B bomber production contracts if such contracts would cause the production portion of the Air Force's $20,500,000 estimate for the B–1B bomber baseline costs expressed in fiscal year 1981 constant dollars to be exceeded: *Provided further*, That funds appropriated by this Act may be applied to a follow-on multiyear contract for F–16 production in which contract options shall be included to adjust the multiyear contract to accommodate the results of the air defense aircraft competition; such competition shall be completed no later than [July 1, 1986] *November 1, 1986*, and a contract awarded within sixty days thereafter.

Public Law 99–190, 99 Stat. 1211, is amended as follows:

(TRANSFER OF FUNDS)

SEC. 8051. In addition to any other transfer authority contained in this Act, amounts from working capital funds may be transferred to the Operation and Maintenance, [Army, Navy, and Air Force] appropriations contained in this Act to be merged with and to be available for the same purposes and the the same time period as the appropriation to which transferred: [*Provided*, That such transfers shall not exceed $168,200,000 for Operation and Maintenance, Army; $420,300,000 for Operation and Maintenance, Navy; and $164,000,000 for Operation and Maintenance, Air Force] *Provided, That such transfers shall not exceed $678,700,000 for Operation and Maintenance, Army; $1,301,600,000 for Operation and Maintenance, Navy; $30,100,000 for Operation and Maintenance, Marine Corps; $608,700,000 for Operation and Maintenance, Air Force; $82,000,000 for Operation and Maintenance, Defense Agencies; $19,300,000 for Operation and Maintenance, Army Reserve; $47,600,000 for Operation and Maintenance, Navy Reserve; $4,200,000 for Operation and Maintenance, Marine Corps Reserve; $14,400,000 for Operation and Maintenance, Air Force Reserve; $42,100,000 for Operation and Maintenance, Army National Guard; and $35,400,000 for Operation and Maintenance, Air National Guard.*

Public Law 99–190, 99 Stat. 1209, is amended as follows:

SEC. 8037. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least thirty days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the government's liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement. Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

T-700 series aircraft engines;
MK-46 torpedo program;
Bradley Fighting Vehicle transmission;
M-1 tank chassis;
M-1 tank engine;
M-1 tank fire control components; [and]
LHD-1 amphibious assault ships; *and*
Titan 34-D7 Complementary Expendable Launch Vehicles.

Public Law 99-190, 99 Stat. 1220-21, is amended as follows:

SEC. 8103. (a) In addition to other funds made available by this Act, $6,306,906,000 shall be available for obligation and expenditure from prior year unobligated balances from the following accounts in the amounts specified:

	Prior year transfer
Aircraft Procurement, Army—1985/87	$117,900,000
Missile Procurement, Army—1984/86	10,100,000
Missile Procurement, Army—1985/87	56,400,000
Procurement of Weapons and Tracked Combat Vehicles, Army—1984/86	336,500,000
Procurement of Weapons and Tracked Combat Vehicles, Army—1985/87	253,800,000
Procurement of Ammunition, Army—1984/86	30,400,000
Procurement of Ammunition, Army—1985/87	147,700,000
Other Procurement, Army—1984/86	81,000,000
Other Procurement, Army—1985/87	176,500,000
Aircraft Procurement, Navy—1984/86	60,800,000
Aircraft Procurement, Navy—1985/87	490,500,000
Weapons Procurement, Navy—1985/87	15,000,000
Shipbuilding and Conversion, Navy—1982/86	391,600,000
Shipbuilding and Conversion, Navy—1983/87	691,300,000

	Prior year transfer
Shipbuilding and Conversion, Navy—1984/88	$398,600,000
Shipbuilding and Conversion, Navy—1985/89	517,800,000
Other Procurement, Navy—1984/86	75,790,000
Other Procurement, Navy—1985/87	200,693,000
Procurement, Marine Corps—1985/87	47,717,000
Aircraft Procurement, Air Force—1984/86	246,400,000
Aircraft Procurement, Air Force—1985/87	864,000,000
Missile Procurement, Air Force—1984/86	29,400,000
Missile Procurement, Air Force—1985/87	53,400,000
Other Procurement, Air Force—1984/86	94,127,000
Other Procurement, Air Force—1985/87	253,349,000
Procurement, Defense Agencies—1984/86	15,000,000
Procurement, Defense Agencies—1985/87	21,000,000
Research, Development, Test and Evaluation, Army—1985/86	96,130,000
Research, Development, Test and Evaluation, Navy—1985/86	188,000,000
Research, Development, Test and Evaluation, Air Force—1985/86	264,000,000
Research, Development, Test and Evaluation, Defense Agencies—1985/86	82,000,000
Total	6,306,906,000

(b) The foregoing unobligated balances in subsection (a) shall remain available for obligation only for the time period provided when originally appropriated, and may be transferred by the Secretary of Defense to appropriations in titles I, II, III, IV, VI and VII as may be required for only the military pay raise of October 1, 1985, payments to the military retirement trust fund including those requirements that may be established by subsequent acts of Congress, the Mariner Fund and the Coastal Defense Augmentation account, *the Complementary Expendable Launch Vehicle Program,* and for increased readiness of conventional forces in programs funded in the operation and maintenance accounts, including but not limited to flying hours, steaming hours, and training: *Provided,* That no funds may be transferred or obligated until 15 days after the Secretary of Defense notifies the Committees on Appropriations of the House and Senate of such transfers and obligations: *Provided further,* That $852,100,000 shall be available only for the Mariner Fund and may not be obligated or expended for any purpose until enactment of legislation establishing a Mariner Fund program for construction and lease of militarily useful vessels and until 60 days after notification of the Committees on Appropriations of the House and Senate of the intent to obligate from such Fund: *Provided further,* That notwithstanding any other provision of this section, after May 1, 1986, obligations from the Military Personnel accounts contained in this Act shall not exceed a rate in excess of the rate required to limit total obligations to the obligation ceilings established by law for such accounts for fiscal year 1986: *Provided further,* That in addition to funds appropriated elsewhere in this Act, $140,000,000 of the foregoing unobligated balances shall be for the Coastal Defense Augmentation account: *Provided further*, That none of the foregoing unobligated balances may be transferred, reprogramed, or otherwise applied to offset the impact of sequester orders required under the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That the transfer authority contained in this section shall be in addition to any other transfer authority contained in this Act*: Provided further, That $561,900,000 for the Complementary Expendable Launch Vehicle Program shall be so available without notification procedures otherwise required by this subsection.*

Public Law 99–190, 99 Stat. 1222, is amended as follows:

> [SEC. 8109. None of the funds appropriated pursuant to this Act to or for the use of the Department of Defense may be obligated or expended for any purpose unless such funds have been authorized to be appropriated for such purpose by law other than this Act: *Provided*, That the preceding sentence does not apply to funds appropriated in this Act for Coastal Defense Augmentation, $375,000,000.]

The Committee recommends language under the Minerals Management Service, "Royalty Management," to allow the Secretary of the Interior to continue to pay for processing costs for geologic and geophysical data on existing permits, contrary to the provisions of Public Law 99–190 (99 Stat. 1232) which states:

> "* * * in fiscal year 1986 and thereafter any permittee provides data and information to the Secretary pursuant to section 1352(a)(1)(C)(iii) of title 43, United States Code, the Secretary shall pay only the reasonable costs of reproducing such data and information. * * *"
> *Notwithstanding any other provision of law, payment for processing costs of data and information acquired by the Secretary on or after October 1, 1985, shall be made to permittees with permits issued on or before September 30, 1985.*

The Committee recommends language under the Bureau of Indian Affairs, "Operation of Indian Programs", to allow reductions in general assistance payments below the amounts paid by the States under Aid to Families With Dependent Children, contrary to the provisions of Public Law 99–88 (99 Stat. 388) which states:

> "* * * general assistance payments made by the Bureau of Indian Affairs after April 29, 1985, shall be made on the basis of Aid to Families With Dependent Children [AFDC] standards. * * *"
> *Provided further, That general assistance payments are subject to the availability of appropriated funds and hereafter such general assistance payments shall be reduced if the Secretary determines that reductions are necessary so as not to exceed the amounts available.*

The Committee recommends language under the Bureau of Indian Affairs, "Revolving Fund for Loans" requiring the Secretary to make a loan to the Zuni Indian Tribe contrary to the provisions of Public Law 99–190 (99 Stat. 1237):

> "* * * the Secretary [may] *shall* make a loan under Title I of that Act to the Zuni Pueblo for the acquisition in trust for the Pueblo of private lands in the area known as Zuni Heaven in an amount not to exceed $1,470,000: *Provided further, That the United States secure a lien in the amount of the principal and interest of the loan upon trust or other funds of the tribe including any net recovery the tribe may receive from any final award of judgment against the United States which may be rendered in favor of the Zuni Indian Tribe in Docket Numbers 161–79L and 327–81L presently pending before the United States Claims Court.*

Section 3(d) 2(B) of Public Law 81–874, is amended as follows:

(B) If the Commissioner determines that

(i) the amount computed under paragraph (1), as is otherwise provided in this subsection with respect to any local educational agency for any fiscal year, together with the funds available to such agency from State and local sources and from other sections of this title, is less than the amount necessary to enable such agency to provide a level of education equivalent to that maintained in the school districts of the State which are generally comparable to the school district of such agency;

(ii) such agency is making a reasonable tax effort and exercising due diligence in availing itself of State and other financial assistance;

(iii) not less than 50 percentum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education were, during such fiscal year, determined under either subsection (a) or subsection (b), or both; and

(iv) the eligibility of such agency under State law for State aid with respect to free public education of children residing on Federal property, and the amount of such aid, are determined on a basis or less favorable to such agency than the basis used in determining the eligibility of local educational agencies for State aid, and the amount thereof, with respect to the free public education of other children in the State;

the Commissioner shall increase the amount computed under paragraph (1) with respect to such agency for such fiscal year to the extent necessary to enable such agency to provide a level of education equivalent to that maintained in such comparable school districts. Subject to the provisions of subsection

(h) of this section, the Commissioner shall not, under, the preceding sentence, increase the amount computed under paragraph (1) with respect to any local educational agency for any fiscal year to an amount which exceeds the product of—

(I) the amount the Commissioner determines to be the cost per pupil of providing a level of education maintained in such comparable school districts during such fiscal year,

multiplied by—

(II) the number of children determined with respect to such agency for such year under either subsection (a) or subsection (b), or both,

minus the amount of State aid which the Commissioner determines to be available with respect to such children for the fiscal year for which the computation is being made. In carrying out the provisions of this subparagraph, the Secretary shall not prorate the amounts computed under this subparagraph attributable to the number of children determined under subsection (a) or (b), or both.

In carrying out the provisions of this subparagraph, the Secretary shall count the actual number of children with respect to such agency for each fiscal year under subsection (b) without regard to the provisions of subparagraph (E) of this paragraph. The Secretary shall make payments with respect to local educational agencies for each fiscal year under this subparagraph in an amount equal to the amount determined pursuant to the previous sentences of this subparagraph minus the actual payment to be made pursuant to subsection (a) or (b), or both, for that fiscal year.

2 U.S.C. 58b(a) is amended as follows:

§58b. Transfer to Senator's Official Office Expense Account of remaining balance of that Senator's clerk hire allowance

(a)*(1)* **Transfer authority**

Effective in the case of each fiscal year (commencing with the fiscal year ending September 30, 1981) each Senator, at his election, may transfer from his Administrative, Clerical, and Legislative Assistance Allowance (hereinafter referred to as the "clerk hire allowance") to such Senator's Official Office Expense Account any balance remaining, or any portion thereof in such clerk hire allowance as of the close of the fiscal year; except that the total amount so transferred from any such balance remaining as of the close of the fiscal year 1982 shall not exceed an amount equal to $15,000 or 25 per centum of the amount of such Senator's Official Office Expense Account, whichever is greater, as determined under section 58(b)(1) of this title, for the calendar year 1982. [Each Senator, at his election, may, during any fiscal year (but not earlier than August 1 thereof), transfer from his clerk hire allowance to such Senator's Official Office Expense Account such amounts in such clerk hire allowance as the Senator shall determine, but not in excess of the balance (or accrued surplus in case of transfers made prior to October 1, 1984) as of the end of the month which precedes the date of such transfer. Any amount so transferred to a Senator's Official Office Expense Account shall be available only for expenses incurred during the calendar year in which occurred the close of the fiscal year. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, no later than December 31 of the calendar year in which occurs the close of such fiscal year, and such transfer shall be made on such date (but not earlier than August 1 of such calendar year) as may be specified by the Senator.]

(2) Each Senator, at his election, may, during any fiscal year (but not earlier than August 1, thereof), transfer—

> *"(A) from such Senator's clerk hire allowance to his Official Office Expense Account; or*
>
> *"(B) from such Senator's Official Office Expense Account to his clerk hire allowance,*

such amounts as the Senator shall determine, but not in excess of the balance (or accrued surplus in case of transfers made prior to October 1, 1984) as of the end of the month which precedes the date of such transfer. Any amounts so transferred between such accounts shall be available only for expenses incurred during the calendar year in which occurred the close of the fiscal year. Each Senator electing to make such transfer under this paragraph shall advise the Senate Disbursing Office in writing, no later than January 15 of the calendar year immediately following the calendar year in which occurs the close of such fiscal year, and such transfer shall be made on such date (but not earlier than August 1 of the calendar year in which occurs the close of such fiscal year) as may be specified by the Senator.".

(b) Subsection (b) of section 110 of Public Law 97–12 is amended to read as follows:

"(b) Transfer of funds under subsection (a) of this section shall be made between the appropriation 'Administrative, Clerical, and Legislative Assistance Allowance to Senators' under the headings 'Senate' and 'salaries, officers, and employees' and the appropriation 'Miscellaneous items' for allocation to Senatorial Official Office Expense Accounts.".

(c) The amendments made by subsection (a) shall be effective in the case of elections made with respect to transfers of funds to be available for expenses incurred during calendar years after 1984.

Public Law 99–88, dated August 15, 1985, is amended as follows:

Sec. 196. The chairman of the Majority or Minority Conference Committee of the Senate may, during the fiscal year ending September 30, [1985] *1986*, at his election, transfer not more than [$65,000] *$30,000* from the appropriation account for salaries for the Conference of the Majority and the Conference of the Minority of the Senate, to the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97–51 (2 U.S.C. 61g–6). Any transfer of funds under authority of the preceding sentence shall be made at such time or times as such chairman shall specify in writing to the Senate Dispursing Office. Any funds so transferred by the chairman of the Majority or Minority Conference Committee shall be available for expenditure by such committee in like manner and for the same purposes as are other moneys which are available for expenditure by such committee from the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97–51 (2 U.S.C. 61g–6).

The Budget Reconciliation Act of 1985 (Public Law 99–272) is amended as follows:

SEC. 13208. CERTAIN INSOLVENT TAXPAYERS ALLOWED TO REDUCE CAPITAL GAINS PREFERENCE ITEM FOR PURPOSES OF THE INDIVIDUAL MINIMUM TAX.

(a) In general.—Paragraph (9) of section 57(a) (relating to capital gains as items of tax preference) is amended by adding at the end thereof the following new subparagraph:

"(E) Special rule for certain insolvent taxpayers.—

"(i) In General.—The amount of the tax preference under subparagraph (A) shall be reduced (but not below zero) by the excess (if any) of—

"(I) the applicable percentage of gain from any farm insolvency transaction, over

"(II) the applicable percentage of any loss from any farm insolvency transaction which offsets such gain.

"(ii) Reduction limited to amount of insolvency.—The amount of the reduction determined under clause (i) shall not exceed the amount by which the taxpayer is insolvent immediately before the transaction (reduced by any portion of such amount previously taken into account under this clause).

"(iii) Farm insolvency transaction.—For purposes of this subparagraph, the term 'farm insolvency transaction' means—

"(I) the transfer by a farmer of farmland to a creditor in cancellation of indebtedness, or

"(II) the sale or exchange by the farmer of property described in subclause (I) under the threat of foreclosure,

but only if the farmer is insolvent immediately before such transaction.

"(iv) INSOLVENT.—For purposes of this subparagraph, the term 'insolvent' means the excess of liabilities over the fair market value of assets.

"(v) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the term 'applicable percentage' means that percentage of net capital gain with respect to which a deduction is allowed under section 1202(a).

"(vi) FARMLAND.—The term 'farmland' means any land used or held for use in the trade or business of farming (within the meaning of section 2032A(e)(5)).

"(vii) FARMER.—The term 'farmer' means any taxpayer if 50 percent or more of the average annual gross income of the taxpayer for the 3 preceding taxable years is attributable to the trade or business of farming (within the meaning of section 2032A(e)(5))."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transfers or sales or exchanges made after December 31, 1981, in taxable years ending after such date.

(c) STATUTE OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendment made by subsection (a) is prevented at any time on or before October 15, 1986, by the operation of any law or rule of law (including res judicata), refund or credit or such overpayment (to the extent attributable to the application of such amendment) may, nevertheless, be made or allowed if claim therefor is filed on or before the date which is 6 months after the date of the enactment of this subsection.

Public Law 89–289, the Service Contract Act of 1965 (41 U.S.C. 356), is amended as follows:

Sec. 7. This Act shall not apply to—

(1) any contract of the United States or District of Columbia for construction, alteration and/or repair, including painting and decorating of public buildings or public works;

(2) any work required to be done in accordance with the provisions of the Walsh-Healey Public Contracts Act (49 Stat. 2036);

(3) any contract for the carriage of freight or personnel by vessel, airplane, bus, truck, express, railway line or oil or gas pipeline where published tarriff rates are in effect;

(4) any contract for the furnishing of services by radio, telephone, telegraph, or cable companies, subject to the Communications Act of 1934;

(5) any contract for public utility services, including electric light and power, water, steam, and gas;

(6) any employment contract providing for direct services to a Federal agency by an individual or individuals; [and]

(7) any contract with the Post Office Department, the principal purpose of which is the operation of postal contract stations[.]*; and*

(8) any contract for aviation services to be furnished entirely within Alaska.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308, PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority	Outlays
H.R. 4515 as recommended by the committee	3,944	53
Projections of outlays associated with budget authority recommended in the bill:		
1986		53
1987		-6,613
1988		1,565
1989		1,052
1990 and future year		786
Financial assistance to State and local governments for 1986 in the bill	-4,233	60

The CBO current level before enactment of this measure shows the Committee to be $27.5 billion under its budget authority allocation and $2.3 billion over its outlay allocation under the fiscal year 1986 congressional budget resolution.

The measure as reported reduces the current level calculation by $1.9 billion in budget authority and $0.4 billion in outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL

TITLE I—GENERAL SUPPLEMENTALS

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −): Budget estimates (6)	Senate committee recommendation compared with (+ or −): House bill (7)
	CHAPTER I					
	DEPARTMENT OF AGRICULTURE					
	TITLE I					
	EMERGENCY FLOOD RELIEF					
	Soil Conservation Service					
---	Watershed and Flood Prevention Operations..............	---	25,000,000	36,700,000	+36,700,000	+11,700,000
	Agricultural Stabilization and Conservation Service					
---	Emergency Conservation Program.........................	---	10,000,000	---	---	-10,000,000
	Agricultural Research Service					
---	Buildings and facilities.............................	---	---	11,100,000	+11,100,000	+11,100,000
---	Food Safety and Inspection Service....................	---	3,700,000	4,500,000	+4,500,000	+800,000
---	Packers and stockyards administration.................	---	---	80,000	+80,000	+80,000

	Farmers Home Administration					
	Rural Housing Insurance Fund:					
99-144 99-196	(Direct loans).....................................	(-7,000,000)	---	(-4,500,000)	(+2,500,000)	(-4,500,000)
99-180	(Deferral disapproval - D86-60)....................	---	(7,000,000)	(7,000,000)	(+7,000,000)	---
99-144 99-196	(Insured loans)....................................	(-699,000,000)	---	(1,500,000)	(+700,500,000)	(+1,500,000)
99-180	(Deferral disapproval - D86-60)....................	---	(693,000,000)	(693,000,000)	(+693,000,000)	---
---	Very low income housing repair grants.................	---	---	3,000,000	+3,000,000	+3,000,000
	Agricultural Stabilization and Conservation Service					
99-144	Salaries and expenses (Transfer from Commodity Credit Corporation)......................................	(71,598,000)	(71,598,000)	(71,598,000)	---	---
99-196	Dairy indemnity program..............................	6,000,000	10,000,000	9,000,000	+3,000,000	-1,000,000
	DOMESTIC FOOD PROGRAMS					
	Food and Nutrition Service					
---	Feeding program for Women, Infants and Children (WIC).	---	20,000,000	---	---	-20,000,000
	Commodity Supplemental Food Program					
---	(Transfer from Commodity Credit Corporation)..........	---	(3,950,000)	(3,950,000)	(+3,950,000)	---
	Commodity Credit Corporation					
	Animal and Plant Health Inspection Service:					
---	Citrus Canker (by transfer)...........................	---	(14,000,000)	---	---	(-14,000,000)
---	Cooperative State Research Service (by transfer)......	---	(5,000,000)	---	---	(-5,000,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −): Budget estimates (6)	Senate committee recommendation compared with (+ or −): House bill (7)
---	Avian Influenza (by transfer)...........................	---	(10,000,000)	---	---	(-10,000,000)
99-144	Reimbursement for net realized losses 1/...............	5,300,000,000	---	5,300,000,000	---	+5,300,000,000
	Total, Chapter I:					
	New budget (obligational) authority.........	5,306,000,000	68,700,000	5,364,380,000	+58,380,000	+5,295,680,000
	(By transfer)................................	(71,598,000)	(104,548,000)	(75,548,000)	(+3,950,000)	(-29,000,000)
	(Loan authorization)........................	(-706,000,000)	---	(-3,000,000)	(+703,000,000)	(-3,000,000)
	(Deferral disapproval)......................	---	(700,000,000)	(700,000,000)	(+700,000,000)	---
	CHAPTER II					
	DEPARTMENT OF COMMERCE					
	Economic Development Administration					
99-161	Economic development assistance programs (deferral disapproval - D86-36).....................	---	(40,000,000)	(40,000,000)	(+40,000,000)	---
	National Oceanic and Atmospheric Administration					
---	Operations, research and facilities...................	---	---	10,822,000	+10,822,000	+10,822,000

DEPARTMENT OF JUSTICE

Legal Activities

---	United States Marshals Service........................	---	---	2,600,000	+2,600,000	+2,600,000
---	Support of United States prisoners....................	---	---	3,000,000	+3,000,000	+3,000,000

Federal Bureau of Investigation

---	Salaries and expenses.................................	---	---	10,000,000	+10,000,000	+10,000,000
---	(Rescission)..	---	---	-10,000,000	-10,000,000	-10,000,000

Immigration and Naturalization Service

---	Salaries and expenses.................................	---	---	3,000,000	+3,000,000	+3,000,000

Federal Prison System

99-144	Salaries and expenses.................................	10,620,000	15,500,000	18,000,000	+7,380,000	+2,500,000
---	National Institute of Corrections (Rescission)........	---	---	-3,315,000	-3,315,000	-3,315,000
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DEPARTMENT OF STATE

Administration of Foreign Affairs

99-144	Salaries and expenses.................................	237,494,000	---	288,047,000	+50,553,000	+288,047,000
---	(By transfer)...	---	(237,494,000)	---	---	(-237,494,000)
99-144	Acquisition and maintenance of buildings abroad.......	454,532,000	---	372,125,000	-82,407,000	+372,125,000
---	(By transfer)...	---	(454,532,000)	---	---	(-454,532,000)

1/ Requested as a permanent indefinite appropriation.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −): Budget estimates (6)	Senate committee recommendation compared with (+ or −): House bill (7)
99-144	Counterterrorism research and development.............	10,000,000	---	---	-10,000,000	---
---	(By transfer)..	---	(10,000,000)	---	---	(-10,000,000)
	Total, Administration of foreign affairs.........	702,026,000	---	660,172,000	-41,854,000	+660,172,000
	Other					
---	The Asia Foundation..................................	---	2,000,000	2,000,000	+2,000,000	---
	Total, Department of State..........................	702,026,000	2,000,000	662,172,000	-39,854,000	+660,172,000
	THE JUDICIARY					
	Supreme Court of the United States					
99-144	Care of the building and grounds......................	46,000	46,000	46,000	---	---
	Courts of Appeals, District Courts, and Other Judicial Services					
99-144	Salaries of supporting personnel.......................	1,200,000	1,200,000	1,200,000	---	---
99-184	Salaries of supporting personnel (by transfer)........	(12,000,000)	(12,000,000)	---	(-12,000,000)	(-12,000,000)

99-144 Fees of jurors and commissioners......................	3,800,000	3,800,000	3,800,000	---	---
99-144 Study of construction of office building..............	2,000,000	2,000,000	1,300,000	-700,000	-700,000
Total, Courts of Appeals, District Courts, and Other Judicial Services......................	7,000,000	7,000,000	6,300,000	-700,000	-700,000
Total, The Judiciary..........................	7,046,000	7,046,000	6,346,000	-700,000	-700,000
RELATED AGENCIES					
Department of Transportation					
Maritime Administration					
99-161 Operations and training (deferral disapproval-D86-53).	---	(9,350,000)	(1,738,000)	(+1,738,000)	(-7,612,000)
Board for International Broadcasting					
99-144 Grants and expenses................................	14,500,000	14,500,000	18,800,000	+4,300,000	+4,300,000
Small Business Administration					
--- Salaries and expenses (by transfer)..................	---	(2,000,000)	(2,000,000)	(+2,000,000)	---
United States Information Agency					
99-144 Salaries and expenses..............................	17,326,000	---	---	-17,326,000	---
--- (by transfer)...................................	---	---	(4,400,000)	(+4,400,000)	(+4,400,000)
Total, Chapter II: New budget (obligational) authority.........	751,518,000	39,046,000	721,425,000	-30,093,000	+682,379,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc.	Item	Budget estimates	House bill	Senate committee recommendation	Senate committee recommendation compared with (+ or −)	
					Budget estimates	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Appropriations 1986	(751,518,000)	(39,046,000)	(734,740,000)	(-16,778,000)	(+695,694,000)
	Rescissions	---	---	(-13,315,000)	(-13,315,000)	(-13,315,000)
	(By transfer)	(12,000,000)	(716,026,000)	(6,400,000)	(-5,600,000)	(-709,626,000)
	(Deferral disapproval)	---	(49,350,000)	(41,738,000)	(+41,738,000)	(-7,612,000)
	CHAPTER III					
	DEPARTMENT OF DEFENSE - MILITARY					
	OPERATION AND MAINTENANCE					
---	Tenth International Pan American Games	---	---	8,000,000	+8,000,000	+8,000,000
---	(Rescission)	---	---	-8,000,000	-8,000,000	-8,000,000
	PROCUREMENT					
	Procurement of Weapons and Tracked Combat Vehicles,					
99-211	Army (rescission)	-34,400,000	---	-34,400,000	---	-34,400,000
99-211	Shipbuilding and Conversion, Navy (rescission)	-40,100,000	---	-40,100,000	---	-40,100,000
---	Missile Procurement, Air Force (by transfer)	---	---	(345,400,000)	(+345,400,000)	(+345,400,000)
99-211	Other Procurement, Air Force (rescission)	-40,000,000	---	-40,000,000	---	-40,000,000

	RESEARCH, DEVELOPMENT, TEST AND EVALUATION					
---	Research, Development, Test and Evaluation, Air Force (by transfer)................................	---	---	(316,886,000)	(+316,886,000)	(+316,986,000)
	REVOLVING AND MANAGEMENT FUNDS					
---	ADP Equipment Management Fund.........................	---	---	100,000,000	+100,000,000	+100,000,000
---	(Rescission)......................................	---	---	-100,000,000	-100,000,000	-100,000,000
	Total, Chapter III:					
	New budget (obligational) authority.........	-114,500,000	---	-114,500,000	---	-114,500,000
	Appropriations 1986......................	---	---	(108,000,000)	(+108,000,000)	(+108,000,000)
	Rescissions..............................	(-114,500,000)	---	(-222,500,000)	(-108,000,000)	(-222,500,000)
	(By transfer)............................	---	---	(662,286,000)	(+662,286,000)	(+662,286,000)
	CHAPTER IV					
	DEPARTMENT OF DEFENSE - CIVIL					
	Department of the Army					
	Corps of Engineers - Civil					
---	Flood control and coastal emergencies.................	---	25,000,000	---	---	-25,000,000
99-144	General expenses (by transfer)........................	(3,000,000)	(3,000,000)	(3,000,000)	---	---
	Total, Department of Defense - Civil............	---	25,000,000	---	---	-25,000,000
	DEPARTMENT OF ENERGY					
	Energy Supply, Research and Development Activities					
99-161	(Deferral disapproval - D86-38).......................	---	(23,156,000)	(23,156,000)	(+23,156,000)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −): Budget estimates (6)	Senate committee recommendation compared with (+ or −): House bill (7)
	Atomic Energy Defense Activities					
99-144	(Transfer from Research, Development, Test, and Evaluation, Defense Agencies)	(62,000,000)	(62,000,000)	---	(-62,000,000)	(-62,000,000)
	Total, Chapter IV:					
	New budget (obligational) authority	---	25,000,000	---	---	-25,000,000
	(By transfer)	(65,000,000)	(65,000,000)	(3,000,000)	(-62,000,000)	(-62,000,000)
	(Deferral disapproval)	---	(23,156,000)	(23,156,000)	(+23,156,000)	---
	CHAPTER V					
	FOREIGN ASSISTANCE AND RELATED PROGRAMS					
	Bilateral Economic Assistance					
	Agency for International Development					
99-29	Economic support fund	100,000,000	---	100,000,000	---	+100,000,000
---	(By transfer)	---	(50,000,000)	---	---	(-50,000,000)
99-174	International Fund for Northern Ireland and Ireland	20,000,000	---	---	-20,000,000	---
---	(By transfer)	---	---	(20,000,000)	(+20,000,000)	(+20,000,000)

	Foreign Assistance Contingencies					
99-144	General contingencies	50,000,000	---	---	-50,000,000	---
	Department of State					
99-144	Anti-terrorism assistance	4,840,000	---	---	-4,840,000	---
	(By transfer)	---	---	(2,739,000)	(+2,739,000)	(+2,739,000)
	Military Assistance					
99-29	Military assistance	50,000,000	---	50,000,000	---	+50,000,000
99-29	Reappropriation	15,000,000	---	15,000,000	---	+15,000,000
99-29	(By transfer)	(14,355,000)	---	(14,355,000)	---	(+14,355,000)
	Total, Chapter V:					
	New budget (obligational) authority	239,840,000	---	165,000,000	-74,840,000	+165,000,000
	Appropriations 1986	(224,840,000)	---	(150,000,000)	(-74,840,000)	(+150,000,000)
	Reappropriation	(15,000,000)	---	(15,000,000)	---	(+15,000,000)
	(By transfer)	(14,355,000)	(50,000,000)	(37,094,000)	(+22,739,000)	(-12,906,000)

CHAPTER VI

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

99-161 99-178	Annual contributions for assisted housing (deferral disapproval - D86-41)	---	(2,300,850,000)	(2,300,850,000)	(+2,300,850,000)	---
---	Rescission	---	---	-3,000,000,000	-3,000,000,000	-3,000,000,000
99-144	Rent supplement (rescission of contract authority, indefinite)	-1,158,920,000	---	-1,158,920,000	---	-1,158,920,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc.	Item	Budget estimates	House bill	Senate committee recommendation	Senate committee recommendation compared with (+ or -)	
					Budget estimates	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)
99-144	(limitation on annual contract authority, indefinite)..	(-41,390,000)	---	(-41,390,000)	---	(-41,390,000)
99-144	Rental housing assistance (rescission of contract authority, indefinite)................................	-283,584,000	---	-283,584,000	---	-283,584,000
99-144	(limitation on annual contract authority, indefinite)..	(-10,128,000)	---	(-10,128,000)	---	(-10,128,000)
99-161	Housing for the elderly or handicapped fund (deferral disapproval - D86-45)................................	---	(530,220,000)	(530,220,000)	(+530,220,000)	---
99-161 99-178	Nonprofit sponsor assistance (deferral disapproval D86-46)...	---	(457,000)	(457,000)	(+457,000)	---
	Federal Housing Administration Fund					
---	Federal Housing Administration Fund (Limitation on guaranteed loans)....................	(6,500,000,000)	---	(57,580,000,000)	(+51,080,000,000)	(+57,580,000,000)
	Government National Mortgage Association					
---	Guarantees of mortgage-backed securities (Limitation on guaranteed loans)....................	---	---	(49,000,000,000)	(+49,000,000,000)	(+49,000,000,000)

	COMMUNITY PLANNING AND DEVELOPMENT					
99-161	Community development grants (deferral disapproval D86-48)..	---	(500,000,000)	(500,000,000)	(+500,000,000)	---
99-161 99-178	Rehabilitation loan fund (deferral disapproval D86-50)..	---	(131,133,000)	(131,133,000)	(+131,133,000)	---
	MANAGEMENT AND ADMINISTRATION					
---	Salaries and expenses (by transfer)..................	(10,100,000)	(23,701,000)	(30,000,000)	(+19,900,000)	(+6,299,000)
	INDEPENDENT AGENCIES					
	AMERICAN BATTLE MONUMENTS COMMISSION					
99-144 99-187	Salaries and expenses..................................	1,553,000	1,553,000	---	-1,553,000	-1,553,000
	ENVIRONMENTAL PROTECTION AGENCY					
---	Salaries and expenses (by transfer)..................	---	(3,000,000)	(3,000,000)	(+3,000,000)	---
---	Construction Grants (release of appropriated funds)...	---	---	(600,000,000)	(+600,000,000)	(+600,000,000)
	FEDERAL EMERGENCY MANAGEMENT AGENCY					
99-144	Disaster relief..	250,000,000	250,000,000	250,000,000	---	---
---	Salaries and expenses (by transfer)..................	---	(2,920,000)	(2,920,000)	(+2,920,000)	---
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
---	Space flight, control and data communications.........	---	---	526,000,000	+526,000,000	+526,000,000
---	Research and program management (by transfer).........	---	(38,100,000)	(38,100,000)	(+38,100,000)	---
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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc.	Item	Budget estimates	House bill	Senate committee recommendation	Senate committee recommendation compared with (+ or −)	
					Budget estimates	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	VETERANS ADMINISTRATION					
99-144	Compensation and pensions	272,000,000	272,000,000	272,000,000	---	---
99-144	Readjustment benefits	91,000,000	91,000,000	91,000,000	---	---
---	Medical care (by transfer)	---	(30,000,000)	(30,000,000)	(+30,000,000)	---
---	General operating expenses (by transfer)	---	(6,000,000)	(6,000,000)	(+6,000,000)	---
---	Veterans job training (by transfer)	---	(35,000,000)	(35,000,000)	(+35,000,000)	---
	Total, Veterans Administration	363,000,000	363,000,000	363,000,000	---	---
	CORPORATIONS					
	Federal Home Loan Bank Board:					
	(Limitation on administrative expenses,					
99-144	corporate funds)	(3,429,000)	(3,429,000)	(3,429,000)	---	---
	Total, Chapter VI:					
	New budget (obligational) authority	-827,951,000	614,553,000	-3,303,504,000	-2,475,553,000	-3,918,057,000
	Appropriations 1986	(614,553,000)	(614,553,000)	(1,139,000,000)	(+524,447,000)	(+524,447,000)
	Rescissions	(-1,442,504,000)	---	(-4,442,504,000)	(-3,000,000,000)	(-4,442,504,000)
	(By transfer)	(10,100,000)	(138,721,000)	(145,020,000)	(+134,920,000)	(+6,299,000)

	(Limitation on administrative expenses, corporate funds)...........................	(3,429,000)	(3,429,000)	(3,429,000)	---	---
	(Limitation on guaranteed loans)............	(6,500,000,000)	---	(106,580,000,000)	+100,080,000,000)	+106,580,000,000)
	(Limitation on annual contract authority, indefinite)................................	(-51,518,000)	---	(-51,518,000)	---	(-51,518,000)
	(Deferral disapproval)........................	---	(3,462,660,000)	(3,462,660,000)	(+3,462,660,000)	---
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CHAPTER VII

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

---	Land acquisition (Rescission).........................	---	---	-3,000,000	-3,000,000	-3,000,000
99-161	(Effect of new deferral) 1/...........................	---	(-3,000,000)	---	---	(+3,000,000)

United States Fish and Wildlife Service

---	Resource management..................................	---	90,000	---	---	-90,000
---	Land acquisition......................................	---	---	2,373,000	+2,373,000	+2,373,000
99-161	(effect of new deferral) 1/.........................	---	(-4,432,000)	---	---	(+4,432,000)

National Park Service

99-144	Operation of the national park system.................	13,470,000	13,900,000	13,470,000	---	-430,000
---	Construction..	---	---	3,420,000	+3,420,000	+3,420,000
99-161	Land and water conservation fund (rescission of contract authority)...................................	---	-28,710,000	-28,710,000	-28,710,000	---
99-180	(Effect of new deferral).............................	(-1,893,000)	---	(-1,893,000)	---	(-1,893,000)

Geological Survey

---	Surveys, investigations and research..................	---	---	1,400,000	+1,400,000	+1,400,000

1/ Originally proposed as rescission.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc.	Item	Budget estimates	House bill	Senate committee recommendation	Senate committee recommendation compared with (+ or −)	
					Budget estimates	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Minerals Management Service					
---	Leasing and royalty management........................	---	800,000	---	---	-800,000
99-144	Payments to States from receipts under Mineral Leasing	800,000	---	---	-800,000	---
	Office of Surface Mining Reclamation and Enforcement					
---	Regulation and technology (rescission)................	---	-710,000	---	---	+710,000
	Bureau of Indian Affairs					
99-144	Operation of Indian programs..........................	26,500,000	31,368,000	26,500,000	---	-4,868,000
	Territorial and International Affairs					
99-144	Compact of Free Association...........................	178,750,000	178,750,000	188,090,000	+9,340,000	+9,340,000
	Total, Department of the Interior (net).........	219,520,000	195,488,000	203,543,000	-15,977,000	+8,055,000

RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

Forest Service

---	State and private forestry............................	---	161,000	161,000	+161,000	---
99-144	National forest system................................	165,700,000	165,700,000	165,700,000	---	---
---	Construction..	---	---	1,700,000	+1,700,000	+1,700,000
---	Land acquisition......................................	---	4,436,000	4,436,000	+4,436,000	---
99-111	Timber salvage sales (deferral disapproval-D86-3).....	---	(3,153,000)	(3,153,000)	(+3,153,000)	---
	(Deferral approval-D86-3).............................	---	---	(-19,549,000)	(-19,549,000)	(-19,549,000)
	Total, Forest Service.................................	165,700,000	170,297,000	171,997,000	+6,297,000	+1,700,000

DEPARTMENT OF ENERGY

99-111	Fossil energy research and development (deferral disapproval - D86-6A)...............................	---	(62,205,000)	(25,148,000)	(+25,148,000)	(-37,057,000)
---	(Effect of new deferral)..............................	---	---	(-2,607,000)	(-2,607,000)	(-2,607,000)
99-181	Naval Petroleum Reserve (deferral approval-D86-8A)....	---	---	(-36,461,000)	(-36,461,000)	(-36,461,000)
99-111	Energy conservation (deferral disapproval-D86-9A).....	---	(36,782,000)	(14,906,000)	(+14,906,000)	(-21,876,000)
99-111 99-161	Strategic petroleum reserve (deferral disapproval D86-37)..	---	(197,940,825)	(41,182,000)	(+41,182,000)	(-156,758,825)
99-161	SPR petroleum account (deferral disapproval-D86-10A)..	---	(315,000,000)	(577,534,000)	(+577,534,000)	(+262,534,000)
99-144	Alternative Fuels Production..........................	1,020,360,322	---	1,020,360,322	---	+1,020,360,322
99-144	Appropriation applied to debt reduction...........	-1,020,360,322	---	-1,020,360,322	---	-1,020,360,322

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

---	Indian health services................................	---	20,000,000	1,800,000	+1,800,000	-18,200,000
---	Indian Health facilities (Effect of new deferral).....	---	---	(-13,745,000)	(-13,745,000)	(-13,745,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −): Budget estimates (6)	Senate committee recommendation compared with (+ or −): House bill (7)
	SMITHSONIAN INSTITUTION					
	National Gallery of Art					
---	Salaries and expenses (by transfer)	---	(136,000)	---	---	(-136,000)
	Total, Chapter VII:					
	New budget (obligational) authority (net)	385,220,000	385,785,000	377,340,000	-7,880,000	-8,445,000
	Appropriations 1986	(1,405,580,322)	(415,205,000)	(1,429,410,322)	(+23,830,000)	(+1,014,205,322)
	Appropriation applied to debt reduction	(-1,020,360,322)	---	(-1,020,360,322)	---	(-1,020,360,322)
	Rescissions	---	(-29,420,000)	(-31,710,000)	(-31,710,000)	(-2,290,000)
	(By transfer)	---	(136,000)	---	---	(-136,000)
	(Deferral approval)	---	---	(-56,010,000)	(-56,010,000)	(-56,010,000)
	(Deferral disapproval)	---	(615,080,825)	(661,923,000)	(+661,923,000)	(+46,842,175)
	(Effect of new deferral)	(-1,893,000)	(-7,432,000)	(-18,245,000)	(-16,352,000)	(-10,813,000)

CHAPTER VIII

	DEPARTMENT OF HEALTH AND HUMAN SERVICES					
	Health Resources and Services Administration					
---	Health resources and services	---	---	2,000,000	+2,000,000	+2,000,000
	National Institutes of Health					
---	National Cancer Institute	---	6,000,000	---	---	-6,000,000
	Office of Community Service					
---	Community Services Block Grant	---	---	5,000,000	+5,000,000	+5,000,000
	DEPARTMENT OF EDUCATION					
---	Impact Aid	---	20,000,000	---	---	-20,000,000
---	Student Financial assistance	---	---	146,000,000	+146,000,000	+146,000,000
	RELATED AGENCIES					
	Soldier's and Airmen's Home					
---	Operation and maintenance (by transfer)	---	---	(1,241,000)	(+1,241,000)	(+1,241,000)
	Total, Chapter VIII:					
	New budget (obligational) authority	---	26,000,000	153,000,000	+153,000,000	+127,000,000
	(By transfer)	---	---	(1,241,000)	(+1,241,000)	(+1,241,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −)	
					Budget estimates (6)	House bill (7)
	CHAPTER X					
	LEGISLATIVE BRANCH					
	SENATE					
	Salaries, Officers and Employees					
99-172	Administrative, clerical, and legislative assistance to Senators..............................	243,000	---	---	-243,000	---
99-144	Offices of the secretaries for the Majority and Minority...	80,000	---	---	-80,000	---
---	Office of the Sergeant at Arms and Doorkeeper..........	---	---	500,000	+500,000	+500,000
99-172	Agency contributions................................	32,000	---	---	-32,000	---
	Total, salaries, officers and employees.........	355,000	---	500,000	+145,000	+500,000
	Contingent Expenses of the Senate					
99-144	Sergeant at Arms and Doorkeeper of the Senate.........	9,100,000	---	---	-9,100,000	---

99-144 Miscellaneous items	650,000	---	---	-650,000	---
Total, contingent expenses of the Senate	9,750,000	---	---	-9,750,000	---
Total, Senate	10,105,000	---	500,000	-9,605,000	+500,000
HOUSE OF REPRESENTATIVES					
Salaries, Officers and Employees					
--- Office of the Sergeant at Arms	---	---	500,000	+500,000	+500,000
Contingent Expenses of the House					
Standing Committees, Special and Select					
99-196 Salaries and expenses	350,000	350,000	---	-350,000	-350,000
JOINT ITEMS					
Contingent Expenses of the House					
99-144 99-196 Joint Committee on Taxation	950,000	912,000	912,000	-38,000	---
Capitol Police					
--- Capitol Police Board	---	---	13,000,000	+13,000,000	+13,000,000
Official Mail Costs					
99-144 99-184 Expenses	50,499,000	---	---	-50,499,000	---
Total, Joint items	51,449,000	912,000	13,912,000	-37,537,000	+13,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −) Budget estimates (6)	Senate committee recommendation compared with (+ or −) House bill (7)
	ARCHITECT OF THE CAPITOL					
	Office of the Architect of the Capitol					
---	Salaries	---	---	250,000	+250,000	+250,000
	Capitol Buildings and Grounds					
99-144	Capitol buildings	8,000,000	8,000,000	8,000,000	---	---
99-144	Capitol grounds	7,675,000	---	---	-7,675,000	---
---	Restoration of West Front (rescission)	---	---	-2,683,000	-2,683,000	-2,683,000
99-144	Capitol Power Plant	2,000,000	1,583,000	1,583,000	-417,000	---
	Total, Capitol buildings and grounds	17,675,000	9,583,000	6,900,000	-10,775,000	-2,683,000
	New budget (obligational) authority	79,579,000	10,845,000	22,062,000	-57,517,000	+11,217,000
	Appropriations 1986	(79,579,000)	(10,845,000)	(24,745,000)	(-54,834,000)	(+13,900,000)
	Rescissions	---	---	(-2,683,000)	(-2,683,000)	(-2,683,000)

	CHAPTER XI					
	DEPARTMENT OF TRANSPORTATION					
	Coast Guard					
---	Operating expenses	---	35,500,000	35,500,000	+35,500,000	---
99-187	(By transfer)	(35,500,000)	---	---	(-35,500,000)	---
	Acquisition, construction and improvements					
---	(By transfer)	---	---	(21,250,000)	(+21,250,000)	(+21,250,000)
	Federal Aviation Administration					
99-187	Operations	6,755,000	80,000,000	80,000,000	+73,245,000	---
99-187	(By transfer)	(73,245,000)	(5,000,000)	---	(-73,245,000)	(-5,000,000)
99-214	Research, engineering and development (by transfer)	(72,220,000)	---	(72,220,000)	---	(+72,220,000)
	RELATED AGENCY					
	Panama Canal Commission					
---	Operating expenses	---	20,000,000	---	---	-20,000,000
	Total, Chapter XI:					
	New budget (obligational) authority	6,755,000	135,500,000	115,500,000	+108,745,000	-20,000,000
	(By transfer)	(180,965,000)	(5,000,000)	(93,470,000)	(-87,495,000)	(+88,470,000)
	CHAPTER XII					
	DEPARTMENT OF THE TREASURY					
---	Departmental offices (rescission)	---	---	-912,000	-912,000	-912,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES RECOMMENDED IN THE BILL—Continued

TITLE I—GENERAL SUPPLEMENTALS—Continued

[Amounts in dollars]

House Doc. (1)	Item (2)	Budget estimates (3)	House bill (4)	Senate committee recommendation (5)	Senate committee recommendation compared with (+ or −) Budget estimates (6)	Senate committee recommendation compared with (+ or −) House bill (7)
	Internal Revenue Service:					
99-144	Processing tax returns	194,564,000	194,564,000	194,564,000	---	---
99-144	Examinations and appeals	68,706,000	68,706,000	68,706,000	---	---
99-144	Investigations, collections and taxpayer service	76,730,000	76,730,000	76,730,000	---	---
	Total, Internal Revenue Service	340,000,000	340,000,000	340,000,000	---	---
	United States Customs Service					
---	Salaries and expenses	---	30,831,000	30,831,000	+30,831,000	---
---	Operations and maintenance, air interdiction program	---	3,225,000	---	---	-3,225,000
	Total, United States Customs Service	---	34,056,000	30,831,000	+30,831,000	-3,225,000
---	Bureau of Alcohol Tobacco and Firearms	---	---	500,000	+500,000	+500,000
	GENERAL SERVICES ADMINISTRATION					
---	Federal Buildings Fund: Appropriation	---	---	3,500,000	+3,500,000	+3,500,000

---	Federal Retirement Thrift Investment Board............	---	---	250,000	+250,000	+250,000
	Total, Chapter XII:					
	New budget (obligational) authority.........	340,000,000	374,056,000	374,169,000	+34,169,000	+113,000
	Appropriations 1986......................	(340,000,000)	(374,056,000)	(375,081,000)	(+35,081,000)	(+1,025,000)
	Rescissions............................	---	---	(-912,000)	(-912,000)	(-912,000)
	TOTAL - New budget (obligational) authority...........	6,166,461,000	1,679,485,000	3,874,872,000	-2,291,589,000	+2,195,387,000
	Appropriations 1986.........................	(8,728,825,322)	(1,708,905,000)	(9,593,856,322)	(+865,031,000)	(+7,884,951,322)
	Reappropriation............................	(15,000,000)	---	(15,000,000)	---	(+15,000,000)
	Rescissions................................	(-1,557,004,000)	(-29,420,000)	(-4,713,624,000)	(-3,156,620,000)	(-4,684,204,000)
	Appropriation applied to debt reduction....	(-1,020,360,322)	---	(-1,020,360,322)	---	(-1,020,360,322)
	(Deferral approval).........................	---	---	(-56,010,000)	(-56,010,000)	(-56,010,000)
	(Deferral disapproval)......................	---	(4,850,246,825)	(4,889,477,000)	(+4,889,477,000)	(+39,230,175)
	(Effect of new deferral)....................	(-1,893,000)	(-7,432,000)	(-18,245,000)	(-16,352,000)	(-10,813,000)
	(By transfer)...............................	(354,018,000)	(1,079,431,000)	(1,024,059,000)	(+670,041,000)	(-55,372,000)
	(Limitation on administrative expenses, corporate funds)...........................	(3,429,000)	(3,429,000)	(3,429,000)	---	---
	(Limitation on guaranteed loans).............	(6,500,000,000)	---	(106,580,000,000)	+100,080,000,000)	+106,580,000,000)
	(Limitation on annual contract authority, indfinite).............................	(-51,518,000)	---	(-51,518,000)	---	(-51,518,000)
	(Loan authorization)........................	(-706,000,000)	---	(-3,000,000)	(+703,000,000)	(-3,000,000)